

Home shopping Catalogue of niche markets



EC budgetmaster Peter Schmidhuber: still waters run deep



"Mad cow" disease Are human deaths a coincidence?



FINANCIAL TIMES

Continental to cut 2,500 jobs and drop loss-making routes

Continental Airlines, fifth-largest US carrier, is to cut 2,500 jobs and get rid of several unprofita-ble routes, including those to Australia and New Zealand, after posting disappointing results for the two months following its emergence from Chapter 11 hankruptcy protection. Chief financial officer Daniel Garton blamed the company's tepid performance on continuing weakness in ticket prices. "Our results were in line with the rest of the industry but were still not good enough." he sald. Page 15

Salomon shares boosted: Shares in US securities house and energy group Salomon rose sharply on news that Warren Buffett, who masterminded Salomon's recovery from the effects of the 1991 Treasury auction scandal, is raising his stake to at least to per cent. Page 15

Saab Automobile, Swedish car group jointly owned by General Motors of the US and Saab-Scania, reported a second-quarter loss after financial items of SKr423m (\$51.8m), a 17 per cent improvement on the same period last year. Page 16

Lebanon reviews troop deployment: Lebanese and Syrian leaders met in Damascus after Syria voiced concern over the Beirut government's plans to deploy troops in the south of the country, recently subjected to a week-long hombardment by Israel, Page 4

Coffee prices to rise: Africa's coffee producers, bowing to pressure from Latin America, agreed to withhold 20 per cent of their production to push up world prices. Page 22

South Africa may seek customs change: The Southern African Customs Union - most successful of the region's economic structures meets today amid indications that South Africa, the senior partner, wants to change the terms of its participation. Page 6

Abbey sells estate agency: UK home loans and banking group Abbey National announced the sale of its 347-branch Cornerstone estate agency chain for less than one-tenth of the price per outlet paid by many buyers in the late 1980s. Page 16; Lex. Page 14

Grand Metropolitan, UK-hased food, drinks and retailing group, is to establish a joint venture in India to produce and market liquor. Page 6

Iran's president suffers setback: Iranian president All Akbar Rafsanjani suffered a serious defeat when parliament rejected the re-appointment of finance miulster Mohsen Nourbakhsh, who was to handle radical economic reforms. Page 4

Toys 'R' Us, US toy retailer, raised second quarter net earnings by \$.5 per cent to \$35.5m.

Paraguay's civilian leader takes over: Juan Carlos Wasmosy became Paraguay's first democratically-elected civilian president after Andrés Rodriguez surrendered power four years after toppling Gen Alfredo Stroessner. Page 3

Rights issue expected: Trading in the shares of Swedish bank Skandinaviska Enskilda Banken was heavy on expectations that the loss-making group will announce a rights issue and much improved results for the second quarter.

MBNA America Bank is to establish a £43m (S64m) European headquarters in Chester, England. which will create up to 800 jobs. It is the largest US investment in the UK for three years. Page 15

Retail sales growth continues: Retail sales in Britain rose in July for the seventh consecutive month, the Confederation of British ludustry

US misses environment deadline: The US has missed its self-imposed deadline for producing a plan to curb emissions of "greenhouse gases before the international global warming conference opened in Geneva yesterday.

Kenya robbers kill bus driver: Bandits hijacked a tourist hus near the Kenyan coastal resort of Malindi, killed the driver and drove the 50 passengers into the hush and robbed them.

Greek forests destroyed by fire: Police blamed arsonists for forest fires, fanned by strong winds, which destroyed tens of thousands of acres of pine forests throughout Greece.

Horses for courses: China has cracked down on the spread of golf courses and race courses as part of a campaign against frivolous real estate development. Page 14

E STOCK MARKET INDICES	E STERLING
FT-SE 100	S 1.482
	London:
FT-A All-Share	
Nikke 20,901,49 (+156.32)	
New York lunchtime:	FFr 8.8875 (8.8375)
Dow Jones ind Ave3589.21 (+19.56)	
S&P Composite	Y 150.0 (149.25)
E US LUNCHTIME RATES	£ Index 80.3 (0.09)
Federal Funds:	M DOLLAR
3-mo Treas Bills. Yid 3.074% Long Bond993 Yield	New York lunchture: DM 1.89
LONDON MONEY	FFr 5.9785 SFr 1.501S
3-mo Interbenk	COLOUR
MORTH SEA OIL (Argus)	DM 1.6865 (1.7105) FFr 5.975 (6.055)
Brent 15-day	
■ Gold	Y 101.05 (102.2)
New York Comex Dec \$376.4 (372.6)	\$ index 65.3 (66.1)
London\$373.75 (368.75)	Takya ciase Y 101.25

New York	Comes ()ec \$	376.4	(372.6)	2 futex	60~1	(66.1)
		\$3			Tokyo ci	038 Y 101.	Z 5
Austru	ScH30	Germany	OM3.30	Maka	Lm0.60	S.Arabia	SAII
Bahrain	Davi 250	Greece	D:300	Morecco	MDh13	Singapore	
Belaum	9Fr65	Hungary	R172	Neth	R 375	Savan Ro	
Bulgaria	Lx25 00	celand	M215	Nigena	Naura45	South Ains	SUT220
	HPD5700	Irda	Rs40	Norway	NK-16.00	Span	Pta210
Cyprus	CCLOD	Stripel	34590	Oman	QR1 50	Sveden	SN15
Caron Ro	C27:45	Name of the last	1,2700	Patestan	Rs35	Seetz	SF(3.20
Denmark		Jorgan	JQ1 50	Philippme	s Pso45	Syna	SE50.00
Egypt	554 50	Nursed	Fils.600	Poland	2) 22,000	Tunisa	Cm1.250
Finland	FA1/2	Lebanon		Portugal	EsC15	Turkey	L2000
France	FFr9 00	Luc	UFr65	Clean	QR12.00	UAE	Dh11 00

AT&T to buy McCaw for \$12.4bn

AMERICAN TELEPHONE & Telegraph announced plans yes-terday for a full-scale merger with McCaw Cellular Communi-cations in one of the US's higgest takeover deals, valued at \$12.4bn. The all-share merger will hind

the largest long-distance telecommunications company in the US to the uation's biggest operator in the cellular telephone market. The deal replaces an earlier scheme, announced in November, for AT&T to acquire a one-third interest in McCaw, based in Kirk-

land, Washington. The proposed merger would be the largest in a series of multihillion dollar transactions which have occurred within the fastevolving telecommunications sec-tor recently - including a \$5.3hn Largest US telecoms company to unite with biggest cellular telephone operator

tie-up hetween British Telecom and MCI, and US West's \$2.5hn investment in Time Warner The deal means that British Telecom, which had previously agreed to sell its 35.8m shares in

McCaw - a 17 per cent stake - to AT&T for \$1.75hn, will now receive an equivalent number of shares in AT&T instead, valued yesterday at \$2.2hn. BT said it still intended to sell

its stake when the deal is com-In New York, AT&T and McCaw said that the merger agreement was an "outgrowth of discussions" which they held in the wake of the proposed share stake arrangement.

According to Mr Alex Mandi, chief executive of AT&T's communications services group, the companies came to recognise the drawbacks to partial ownership. There was potential for not focusing in one direction, and a risk of not being fully effective in the marketplace," he said.

Mr Robert Allen, chairman of AT&T, also claimed that the full merger would be "a better financial deal for AT&T".

He said: "If we were right strategically and added value in McCaw [under the share stake arrangement), we'd have to pay

Nevertheless, McCaw entrepreneurial company which has grown quickly from humble heginnings over the past decade under its founder, Mr Craig McCaw - is currently loss-mak-ing, and carries long-term deht of

As a result, AT&T expects to see earnings dilution of about 10 per cent in 1994, when the merger is likely to be campleted,

BIGGEST US TAKEOVER DEALS* Kohiberg Kravis Robert Beecham Group Chevron Philip Morris Du Pont O British Petroleun

although it argues that there will he substantial enhancement in the long term.

When the proposed share stake arrangement was announced in November, the partnership was immediately seen as putting AT&T in direct competition with

the regional Bell telephone com-Bell system was broken up by court order in 1984. Apart from McCaw, the rapidly growing wireless communic-

Continued on Page 14

Japanese **business** seeks aid to halt yen's rise

By Gordon Cramb in Tukyo and James Blitz in London

JAPANESE husiness leaders yesterday called on the country's new government to seek con-certed international intervention to stop the yen's rise against the dollar. They fear the yen's strength is threatening hopes of economic recovery in Japan.

The yen yesterday hroke through Y101 to the dollar for the first time in London trading. After closing in Tokyo at Y101.25, the currency reached a new postwar high of Y100.80 in European trading. It drifted back towards the close in London, finishing at Y101.05, hut there was speculation the currency would

break through the Y100 level this Mr Gaishi Hiraiwa, chairman of the Keldanren, Japan's main business grouping, said the government should ask other economic powers to carry out concerted Intervention in foreign

exchange markets. Mr Hirohisa Fuju, wbo became finance minister in the coalition government formed last week. agreed that the rise was "too rapid" and said he was consult-

ing with other leading nations. Central banks from Japan's Group of Seven partners have shown no inclination to join the Bank of Japan in attempting to bold back the gains in the yen. The country's trade surplus is seen in the West as too high to warrant doing anything to assist

Japanese export competitiveness. But as Mr Tadahiro Sekimoto, president of NEC, the electronics manufacturer, noted in a television Interview last night, the long-lasting econonic. slowdown at home leaves industry few options but to pare costs where possible and redirect output to

products sought abroad. Industrialists were encouraged yesterday by an upward revision in industrial production data for June, although these came before the yen gained its latest bead of steam. The seasonally adjusted rise in output from May was put at 1.9 per cent compared with an earlier estimate of 1.3 per cent. On an unadjusted hasis output was down 4.6 per cent agains June 1992, but hetter than the 5.1 per cent fall initially indicated.

The ratio of inventories to sales was 1.1 per cent lower month-onmonth, against the original 1.2 per cent. The Ministry of International Trade and industry said destocking was in its final stage hut it was too early to regard the process as completed.

Depressed consumer demand was again evident in figures for July department store sales in the capital. These were down 9.5 per cent from a year earlier for a 17th successive fail.

Opportunity knocks for the



US sailors jog among the jet fighters aboard aircraft carrier Theodore Roosevelt, on alert in the Adriatic sea for any Nato strike against the Bosnian Serbs Talks resume with warning, Page 14

Germany urged ERM nations to delay rate cuts

GERMANY asked its European Community partners not to cut interest rates precipitately when the rules of the European exchange rate mechanism were changed this month, possibly explaining why interest rates in ERM countries have hardly fallen since the currency crisis.

According to details that emerged yesterday, Mr Hans Tiet-meyer, the Bundesbank vice-president and president designate. made the request in the early hours of Monday, August 2 after the EC's finance ministers and central bank governors agreed to widen the ERM fluctuation margins to 15 per cent.

Mr Tietmeyer's request, which one European monetary official mendation to the ERM crisis meeting in Brussels, provides one reason for the failure of interest rates to fall rapidly among Germany's ERM partners from the high levels established to protect the "old ERM" with its 2.25 per cent and 6 per cent fluctuation margins from currency specula-

With the exception of Spain, the ERM countries have shown no hurry to exploit the wider fluctuation bands and cut short-term interest rate. Further details of the early

August crisis meeting in emerge appeared to put an end to specu-lation that Germany and France

Page 2

☐ EC interest rates ouzzle ☐ Franc dips as interest rates are kept up

Editorial CommentPage 13

might forge ahead with an eco-nomic and monetary union of ERM "core countries" ahead of the Maastricht treaty timetable which envisages European mone-

this decade. When a Pnrtuguese delegate suggested that the two logical solutions to the ERM crisis were suspension of the system or immediate monetary union of the French franc and the D-Mark, Mr Gert Haller, the newly appointed state secretary in the German finance ministry, said he hoped the proposal of immediate Franco-German monetary union was meant "as a joke".

Rexrodt calls for lower coal subsidy

By Judy Dempsey in Berlin

MR Gunter Rexrodt, Germany's economics minister, vesterday took aim at monopolies and highly subsidised industries such as coal by calling for faster privatisation and greater competition. He said no sector would he spared in his campaign for greater flexibility and competitiveness in the economy. A key element would be the reduction of subsidies in all sectors over the next five years and the privatisation of a broad range of state

companies. In a hard-hitting paper presented to his Free Democratic Party, the junior partner in the Bonn coalition. Mr Rexrodt said the politically sensitive coal industry should be included in

Direct federal subsidies to the western states, excluding federal tax concessions and soft loans. totalled DM13.5hn (\$7.8hn) iu 1992, or 1.3 per cent of gross domestic product. Nearly half the subsidies have been earmarked for supporting agriculture and the coal industry, the latter accounting for 19 per cent of western Germany's total energy consumption. In 1990, coal min-

Currencies, Page 30 Japanese, Page 13

by western German consumers. The sector's price structure was mapped out in a 1980 agreement between the coal and electricity industries. The agreement stipulated the amount of domestic coal the utilities undertook to hurn for the remainder of the

But because of high production costs, the electricity companies pay about DM280 per ton, compared with world prices of DM80. To compensate for the high cost of coal, the electricity utilities collect the Kohlepfennig, a levy from the consumer. This explains why German electricity is among the most expensive in the Euro pean Community.

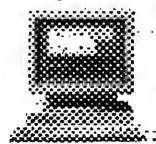
The FDP paper was jointly put forward with Mr Klaus Kinkel the foreign minister and head of

the party.
An FDP spokeswoman said Mr Rexrodt wanted to present the paper on creating more competition when parliament resumes after the summer recess.

By singling out reductions in subsidies and the faster privatisation or deregulation of the public sector, economists said that Mr Rexrodt was challenging structures which helped maintain well as wage levels.

Germany's capacity utilisation stabilises, Page 2

Fuzzy Logi



We can read the words above because our minds fill in the gaps where information is missing. Machines don't behave like this.

Which is why electronic document filing and retrieval is so incredibly difficult and slow.

But it all changed for us recently when we were shown PixTex/EFS by Excalibur Technologies. EFS applies fuzzy logic to bit-pattern recognition in such a way as to produce breathtaking performance.

From a Sun SPARCstation, documents can be searched and correctly retrieved even on "sort-of" matches. Very, very quickly.

Anyone interested in document management and the paperless office should see a demonstration of EFS on a Sun workstation. Call Richard Styles at Morse Computers for more information.



Morse Computers Ltd.

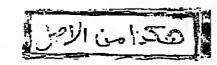
ing subsidies amounted to DM80,500 per employee, or 1.8

times the average yearly income of a blue-collar worker. A reform of the coal industry

Int. Bond Service . _ _ 19 Managed Funds35-30

© THE FINANCIAL TIMES LIMITED 1993 Nn 32,142 Week No 33

LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO



Italian offer boosts Bosnia airlift effort

ITALY yesterday became the latest country to join the interthe wounded war victims of Sarajevo when it offered to provide 454 hospital beds for the seriously injured patients - the largest offer to date.

But as the diplomatic wrangling continued over the airlifts, which some UN officials have criticised as a publicity stunt, the United Nations High Commissioner for Refugees (UNHCR) indicated that it now had more offers of beds than it had patients awaiting evacuation.

More than 700 beds have now been offered by mora than a dozen governments in recent including Britain, ireland, France, Jordan, Tur-key, Finland, Kuwait and the US, following the emotional press coverage of the case of Irma Hadzimuratovic, a fiveyear-old mortar victim from Sarajevo.

Ms Sylvana Foa, spokeswoman for the UNHCR, yesterday welcomed the flood of offers, which she said marked a turnahout in attitudes, after 16 months of indifference from western countries.

However, Mr Manuel de Almeida, UNHCR spokesman in Zagreb, stressed that more aid was needed across the former Yugoslavia.

Until last week, the UNHCR staff had only been identifying some 25 patients a week for evacuation in Sarajevo. Mr de Almeida said.

However, he pointed out that there are others lying injured at home in the city, which the UNHCR staff - who are already badly overstretched - have not



Bosnian President Alija Izetbegovic in Geneva yesterday

vet had the resources to iden-

Amid charges that the medla - and humanitarian campaign - had focused too narrowly on Sarajevo, the UNHCR yesterday said that it hoped to extend the operation across Bosnia, although renewed fighting in central Bosnia was still making conditions dangerous.

Meanwhile, the British government yesterday came under fresh fire over its evacuation of 21 injured from Sarajevo on Sunday after the Swedish foreign minister claimed that the British government's questioning of the choice of victims had

ish foreign office officials yesterday denied the allegation, and insisted that in spite of media allegations that some soldiers had bribed their way onto the airlift, the British government "had met all the objectives" of the operation. In an effort to deflect the critical publicity over the

delayed Sunday's airlift. Brit-

affair, the British government claimed that it had been the largest single donor to the former Yugoslavia, having given £131m (\$195m) in aid in the last 14 months.

However, it admitted that it ther airlifts at the moment,

Germany's | Why Germany pushed at an open door on monetary policy capacity utilisation

EC interest rates puzzle

By Peter Norman, Economics Editor

THE reluctance of Germany's

partners in the Europaan

axchange rate mechanism to

cut their interest rates has

caused considerable puzzle-

ment in the two weeks since

currency speculation forced the ERM countries to adopt 15

per cent fluctuation margins.

be that Germany specifically

asked other ERM countries not

to push intarest rates down precipitately after agreeing the changes in the ERM at tha

August 1-2 crisis meeting of EC

finance ministers and central

Hitherto unreported details

of that meeting may also pro-

Community countries will frame their international mon-

atary policies in tha months

ahead. In particular:

Britain, in the person of Mr

Kenneth Clarke, the chancellor

of the axchequer, spoke in

favour of retaining the ERM.

rather than seeing the Euro-

pean Community adopt a

generalised floating of curren-

■ Balgium came nearest to

supporting exchange controls

Germany appears to have ruled out any "fast track" mon-etary union with France ahead

of the Maastricht Treaty sched-

According to European mon-

etary officials, it was at the

end of the bruising negotia-

tions over the future of the

to combat speculation.

ule for Emu.

bank governors in Brussels.

vide clues as to how Europ

Part of the answer appears to

By Christopher Parkes in Frankfurt

stabilises

CAPACITY ntilisation in vestern German industry has stabilised after more than two years of decline, the Munichbased Ifo economic research institute reported yesterday.

Manufacturing and mining equipment, excluding food and drink, was working at 78.3 per cent of capacity during June, barely changed from 78.6 per cent in March.

The average volume of ont-standing orders, sufficient for 2.5 months, was also unchanged over the three-month period. The figures add weight to other recent evidence that the recession may have reached its low point.

However, most of the companies surveyed suggested ntilis-ation rates would remain uneatisfactory at least for the next 12 months.

They are still well below the 10-year average rate of around 85 per cent, and the peak of almost 90 per cent recorded in the third quarter of 1990.

The Ifo survey showed that conditions in some important industrial sectors ware continning to deteriorate. Utilisation rates among investment goods makers were 75.7 per cent in June compared with 76.6 per cent three months earlier. The figures for consumer non-durables makers also fell from 85.9 per cent to 84 per

ERM that Mr Hans Tietmeyer, the Bundesbank vice-president and president-designate, "recommended" that other ERM countries should exercise caution in cutting interest rates once they had agreed to wider fluctuation bands.

Some of those present in the early hours of Monday August 2 expected the other members of the ERM would pay little attention to his call. The move high for the time being to rebuild its currency reserves and maintain the prestige of Mr Edouard Balladur, the prime minister, who earlier had threatened to resign rather

than see the franc devalued. Germany may also have benefited from its display of strength in the early August crisis meeting, which came close to collapse when it was proposed that the D-Mark and

Bonn received support for its policy during the ERM crisis from an unlikely quarter, the UK chancellor Kenneth Clarke, who

opposed a generalised floating of currencies

appeared designed to shield the Bundesbank from pressure to cut its own rates sharply and so undermine its counter-infla-

But it turned out that Germany was pushing on an open door. Except for Spain, all the ERM countries have proved reluctant to cut their interest rates. France, which earlier this year had been anxious to push short-term rates below German levels, has responded with only two small cuts in the past two weeks.

The decision to keep the Dutch guilder within its old 2.25 per cent fluctuation margins against the D-Mark seems to have dissuaded other ERM countries from embarking on competitive devaluation within

France appears also to have opted to keep interest rates chancellor, not to accept a

guilder should be floated off from the rest of the ERM.

Belgium insisted that it should stay within the old 2.25 per cent band against the D-Mark. It proposed that the Belgian franc should be supported by large-scale interven-tion and through the imposi-

tion of 100 per cent minimum reserve requirements to deter speculation. This sugge which would be equivalent to the imposition of exchange controls, was rejected by the other countries with the result that the meeting began to consider the option of a general ised float for the BRM.

Some officials believe that at this point the German delegation came under intense pres sure from the office of Mr Helmnt Kold, the German

generalised floating. Bonn received anpport from an unlikely quarter. Mr Kenneth Clarke, the UK

chancellor, who had played a very small part in the talks, sided with Mr Henning Christophersen, the EC commis-sioner for monetary affairs, in saying that a generalised float was a bad solution. Shortly after this, the meeting agreed to 15 per cent fluctuation

Although the UK had not participated in the ERM since the previous September, Mr Clarke was unwilling to see a free-for-all among European currencies that would undermine the competitiveness of UK exports to the rest of the EC. The UK also took the view that a generalised float would jeopardise the EC single market and threaten the monetary arrangements under the common agricultural policy while the existence of the ERM had eased the management of ster-ling as a floating currency over

Mr Ciarke's stance may earn him little support among the Enrosceptics of the British

rejection of a "fast track" move to monetary union with

Mr Gert Haller, the state secretary in the Bonn Finance

Tensions hamper Greek investment in Albania

By Kerin Hope

OUTSIDE the Gjirokaster tannery in southern Albania's north Epirus region, local farmers are disputing the offering price for sheep hides. Inside, Greek technicians are installing an automated production line for making shoes.

Mr Spiros Lilis, the deputy manager, says a year-long in starting up the Dr2.5bn (\$10m) joint vecture between a leading Greek leather manufacturer and the Albanian state, the country's largest single foreign investment to date, is due more to bureaucracy than to political tensions between Greece and

"It took months to work out an exemption from the 30 per cent import tax on new machinery, on the grounds that we'll be exporting most of our output," he said. "But we demonstrated our commitment to the project by paying the workforce during that time."

Close to the tannery, three joint ventures making clothes for export occupy what was a state-owned textile factory. The 1,200 workers employed there earn \$60 a month, double the average Albanian wage hut only a fraction of that in

"Our Irish partner provided the sewing machines, the Greek partner sends ready-cut fabric for sewing and the French partner organises the marketing," sald Mr Konstan-din Caro of Gjirotext, the largest manufacturer.

Still, the revived dispute between the Greek and Albanian governments over the region, where much of the population is of ethnic Greek descent, is damaging its chances of leading Albania out of dire poverty with a steady flow of Greek investment.

Albania's expulsion last month of a Greek priest accused of promoting nationalism provoked violent demonstrations in Gjirokaster. Greece responded by deporting more than 30,000 of an estimated 200,000 Albanian immigrants who mainly work in the flour-

ishing black economy. Alhanian fears that Greece still covets the region, where Greek troops set up a shortlived protectorate in 1914, have been rekindled, reflecting both the emergence of a strong oationalist faction in Greece's governing conservative party and concern that the war in

Bosoia may spread to the southern Balkans.

Such anxieties were heightened when Mr Constantine Mitsotakis, the Greek prime minister, recently raised the issue of autonomy for north Epirus within Albania.

The Greeks worry that the Albanian government, growing authoritarian, will step up discrimination against the ethnic Greek minority, its leader have already claimed they face obstacles in getting permission for Greek to be taught in schools, as well as in bidding for property and businesses being sold under Albania's privatisation programme.

"Greek husinessmen are definitely more besitant about investing in southern Albania because of the worsened political climate," says Mr Yiannis Tzen, who is in charge of the Greek Economy Ministry's programme for investing thera,

About 70 Greek-Albanian joint ventures have been set up since Greece's investment inceotives law was extended last year to include southern Albania, creating about 12,000 johs there, according to the ministry. So far this year, the government has provided \$1.1ho in grants for 35 projects.



Russian travellers sleeping on a railway platform in northern Bulgaria after being stranded by a six-day train strike in Romania

ROMANIAN PRESIDENT IN TALKS TO END RAIL STRIKE

MR Ion Iliescu, Romania's president, last night began talks with trade union offi-cials and the SNCFR, the state railways. in an attempt to break the deadlock in the country's rail strike which began a week ago, writes Virginia Marsh in Bucharest. Opposition parties asked the president

to mediate between the two sides, warn-

ing of the grave dangers the conflict trains bringing children back from their posed to an already tense country.

The all-out strike, considered Romania's Government officials also met to most serious post-communist labour conflict, has blocked all main railway sta-tions as well as international traffic prises, including two large steel mills,

analyse the effects of the strike and conthrough the Balkans. Among the few ser-vices running yesterday were a handful of materials.

Slovakia minority alters line of protest

ETHNIC Hungarians In southern Slovakia, who hlocked traffic lest week in protest over a ban on hilingual road signs, erected signs on Monday with large question marks replacing the name of their village, Reuter reports from Bratislava.

Villagers in Marcelova replaced signs bearing its Hungarian name, Marcelhaza, with signs featuring giant question marks "as another form of protest", Mr Laszlo Sooky, the Marcelova mayor, The dispute is the latest in a

string of minority rights squabbles between Slovakia's ethnic Hungarians, numbering about 600,000, and the Slovak government. The villagers are angry at a

until the end of July to take down bilingual road Mr Sooky said the question marks would remain until parliamant reconvened in September and debated tha

government order giving towns

Last month, the Slovak cabinet approve a hill legalising the official usa of Hungarian first and family

Kiev moves to resolve its nuclear limbo

Fears grow that Ukraine will soon be able to fire the weapons on its territory, writes Chrystia Freeland

HE US and other western countries are watching Ukraine anxiously to see whether Russia's sister Slav state will soon be a formidable nuclear power. Ukraine inhabits a sort of

nuclear limbo. Such a large chunk of the former Soviet nuclear arsenal - 1,656 nuclear war-heads - is stationed on Ukrainian territory that if Kiev were to develop operational control over ell of them it would be the third most powerful ouclear nation behind the US and Russia. Westero fears - and Russian

ones - grew last month, when the Ukrainian parliament declered that independent Ukraine owned all the nuclear weapons stationed on its terri-

However, as General Paval Grachev, the Russian minister of defence pointed out last week, all nuclear weapons stationed in Ukraine are under the operational control of Rus-The question troubling west-

ern foreign ministries is:

should Ukraine want "operational control" over those weapons (meaning the ability to fire them), how easy would it be for Kiev to develop it? The Ukrainian parliament has besitated over ratifying international disarmament treaties which would commit

Ukraine to becoming a non-

nuclear state. President Leonid Kravchuk has said that he favours a compromise agreemeot in which Ukraine would pledge eventually to become a non-nuclear power but would temporarily keep some inter-Continental Ballistic Missiles on its territory.
"The Ukrainians are bedging

their bets on the nuclear question because they want some time in which they can keep their eyes on the Russians," says Mr Bruce Blair, a senior fellow at the Brookings Institution and one of the leading American experts on Soviet nuclear weapons. Ukrainian scientists, engl-

neers and military men played a crucial role in the building of the former Soviet Union's vast nuclear arsenal, and according to Mr Blair, there is no doubt that if they put their minds to It, they could develop independent nuclear capacity.

Mr Markian Bilinsky, e Britisb academic working at a Ukrainian research institute, goes further. "The Ukrainians are moving closer to obtaining operational control, I cannot believe that there is not some institute in Ukraine which is working on breaking the codes for the missiles," he says.

This spring. American and Russian intelligence sources leaked their fears that Ukraine had begun to try to develop control over the 1,656 strategic



nuclear weapons currently under Russian control, hut located on Ukrainian territory. Their worries centred on the factory in the eastern Ukralnian city of Kharkov.

This closely guarded enterprise, which officially bears the innocuous title T.S. Shevchenko Factory in honour of Ukraine's national poet, is one of only two plants in the former Soviet Union which manufactured blocking devices for ICBMs.

Ukraine has a legitimate reason for building blocking devices of its own: Moscow's breach of its promise to protive control" - the physical ability to veto the use of the nuclear weapons on its terri-However, as Mr Blair

explained in testimony before a Senate committee, "the devices unfortunately do more than just block unauthorisad launches; they are also integral to the launch process. If Ukraine replaced the current devices with their own they would be able to activate the flight plans on the missiles and fire them.

However, any tampering with the weapons would be

Rocket Force commanders could then respond in a num-har of ways, ranging from employing various huilt-in safety devices which would temporarily de-activate the missiles, to a pre-emptive military strike.
The missiles most suited to

Ukraine's defence needs are the 130 SS-19s stationed in Ukraine. The SS-19s have been routinely tested at a little more than 600 miles, their minimum distance, and, as it happens, the distance between Ukrainian airfields and Moscow. Moreover, as Mr Yakov

Eisenberg, director of the Khartron weapons systems factory in eastern Ukraine proudly confirms, the guidance system for the SS-19s were entirely designed and are maintained by his scientists.

However, acquiring control over the SS-19s could be of dubious valua for Ukraine because 18 months ago Russia etopped maintaining the tritium in their war-heads. Mr Blair reckons that some of the missiles could be as much as three years overdue for maintenance and, consequently, might not go off if they were fired.

in addition to the SS-19s, there are 46 SS-24s located on Ukrainian territory. However, controlling the SS-24s, whose immediately detected by shortest range in test history is Moscow. Russian Strategic 1,700 miles, would not enable Ukraine to threaten European Russia, which Ukraine perceives as the source of its most serious security threat.

Ukraine also possess strategic bombers, stationed at the Uzin air-base, just south of Kiev, and believed to carry a total of 416 bombs, including cruise missiles. Western diplomats in the former Soviet Union think these bombers, more modest in their capacity to wreak mass destruction, could represent Ukraine's quickest and most effective route to nuclear capacity.

In contrast with the ICBMs. which, despite the Ukrainian ministry of defence's best efforts, are still guarded by soldiers loyal to Moscow, the homher pilots publicly took an oath of allegiance to Kiev early in Ukraine's drive for indepen-

However, as Mr Blair points out, the bombs are stored separately from the hombers and he believes that the officers commanding that base, though not the soldiers, are still loyal to Moscow.

In a guarded room in one of Kharkov's sophisticated design bureaus. Ukraman scientists may well be investigating these technical avenues. But whether they actually the their skills will be determined by the Ukrainian government and isthe previous 10 months.

Conservative party.

But they can probably take comfort from Germany's clear

When this idea was put for-ward by a Portuguese delegate as one way out of the crisis, it was dismissed as a "joke" by

Franc dips amid market suspicions

By John Ridding in Paris

THE French franc remained weak on foreign exchange markets yesterday, amid Investor fears that the Bank of France would keep interest inted high and that the French severmment was considering imposing limits on capital

The franc fell almost a centime against the D-Mark to

close at FFr3.5440. than 16 centimes against the German currency since the franc was effectively floated at the beginning of the month following the crisis in the European exchange rate mech-

Most currency analysts said they expected the franc would fall to about FFr3.60 to the D-Mark over coming weeks as the Bank of France maintained high interest rates to help

"The markets are impatient

rebuild its reserves.

for interest rate cuts," said one economist in London. "They believe that maintaining high borrowing rates will prolong the recession in Franca." Investors also expressed anxiety about hints from Paris that it wants to impose capital controls as a means of protecting the franc Last week Mr Edouard Balladur, the prime minister, said France would not tolerate a situation where speculators could threaten economic seru-rity and that he was consider-ing ways to curb speculation.

Economists stressed the dif-ficulties involved in such a move. "It is unlikely at the unliateral level and it would be hard to get agreement at an BC level for such a move." said Mr Jean-François Mercier, economist at Saiomon Brothers. He argues that limits on capital movements would drive capital from France, weakening the france and putting upward pressure

on interest rates.

THE FINANCIAL TIMES
Published by The Financial Times
(Surope) GmbH. Nibehmagenplatz 3.
60318 Frankfurt am Main, Germany.
Telephone ++49 69 156 850. Fax ++49
69 596481, Telex 416193. Represented
by Edward Hugo, Managing Director
Frinter: DVM Druck-Vertrieb und
Marksting GmbH. Admiral-RosendshlStrasse 3a. 63263 Nen-Isenburg (owned
by Hörriget International).
Responsible Editor: Richard Lambert.
c/o The Financial Times Limited.
Number One Southwark Bridge,
London SEI 9HL, UK, Shareholders of
the Financial Times (Europe) GmbH
are The Financial Times (Europe) Cut.
London and F.T. (Germany
Advertising) Ltd. London, Shareholder
of the showe mentioned two companies

FRANCE
Publishing Director: J. Rolley, 168 Rue
da Rivott, F-75044 Paris Cedex 01.
Telephone (01) 4297-0621, Fax (01)
4297-0628. Frauer: S.A. Nord Echar,
15/21 Rue, de Caire, F-59100 Rouhais



President defends plan for employer-funded insurance

Clinton comes out fighting on healthcare

By George Graham

PRESIDENT Bill Clinton yesterday started his campaign for sweeping reform of the US healthcare system with a strong defence of the need for employers to provide health insurance for workers.

Mr Clinton told a meeting of state governors that a mandate stipulating employers provide insurance was the only fair way of making sure everyone received medical coverage.

The employer mandate is expected to be one of the most controversial elements in the healthcare debate. It is hotly opposed by small husinesses and hy many Republicans, who believe it will force companies to lay off workers to avoid

Although the health reform plan will not be formally presented until next month, Mr Clinton outlined a number of principles

The plan must provide medical security not only to those who now have no insurance. hut also to those who are afraid of losing coverage. It should build on the "managed care" concept, maintaining the private-sector health insurance industry hut setting up alliances in each state to negotiate for cheaper healthcare and pro-viding new incentives for preventive medicine.

insurance reform, massive cuts in paperwork, increases in medical research hudgets and an effort to include the workers' compensation system, which covers job-related injuries and illnesses.

One significant proposal

would be for the cost of health insurance policies for the self-employed to he 100 per cent tax deductible, instead of 25 per cent as at present. But Mr Clinton's strongest appeal was over the employer

mandate. . A single, government system, similar to Canada's, was impractical as it would involve replacing \$500bn (£335bn) in health insurance premlums with nearly as much in new taxes, besides dislocating the

health insurance industry.

An individual mandate, in which everyone would be required to purchase his or her own insurance coverage, ran the risk of employers stopping insurance for their workers. Simply reforming the health-care system and trusting that everyhody would then buy insurance would not solve the

cost-shifting problem.

Mr Clinton promised an employer mandate would he phased in over a long period and accompanied by limits on the premiums small businesses would pay.

· He warned it would not be easy to win passage for health-care reform legislation, and criticised the politics of Wash-

Back east, where I work, consensus is often turned into cave in. People who try to work together and listen to one another, instead of beat each Mr Clinton also backed other up, are accused of being weak, not strong, Mr Clinton complained.

"The people that really score are the people that lay one good lick on you in the newspaper every day instead of the people that get up and go to work."

links with past ing his four-year term as president, Mr Rodriguez is credited By John Barbam in Buenos Aires MR Juan Carlos Wasmosy

Paraguay keeps

became Paraguay's first-ever democratically elected civilian president on Sunday, when outgoing President Andrés Rodríguez surrendered power as scheduled four years after toppling Gen Alfredo Stroes-sner in a bloody coup.

But Mr Wasmosy, a politically inexperienced construction millionaire, promised no sudden break with the coun-try's past, overshadowed for 35 years hy Gen Stroessner.

In his inauguration speech Mr Wasmosy called for "dialogue, tolerance and unity" and promised to continue the previous government's policles of political and economic liber-

Mr Wasmosy, 54, named a 10member cabinet of politicians and hureaucrats who served first under Gen Stroessner and then under Mr Rodriguez. Dur-

with bringing unbeard of democratic freedoms to Paraguay while reforming its closed and backward economy,

Mr Wasmosy's narrow elec-tion victory in May, when he won 40 per cent of the votes, ensures that the dominant Colorado party maintains its 60year grip on power, hut it no longer holds exclusive control over government. Two opposition parties now dominate Congress, forcing Mr Wasmosy to begin negotiations with political leaders on a "governability

At the same time, the new president needs to preserve good relations with the armed forces, which retain great political influence in Paraguay. He is not expected to investigate aggressively corruption scaudals involving top army officers that came to light during the final year of Gen Rodríguez's government.

Blue-eyed sheikhs get used to life without oil wealth

LBERTA'S 2.6m resi-A dents were led to helieve for almost two decades that their oil and gas wealth provided a cushion against hard times.

When energy prices soared in the mid-1970s, the Canadian prairie province decided lo squirrel away 15 per cent of its oil and gas royalties in a newly-created Heritage Savings Trust Fund. By the early 1980s. the fund had amassed assets of over C\$12hn (£6.2bn), and was investing in income-producing ventures as well as improvements to the province's infra-

But Albertans, once labelled the blue-eyed sheikhs, have discovered lately that oil and gas cannot protect them from free-spending politicians or the realities of the husiness cycle.

Having posted a hudget deficit for eight years in a row, the province has run up an accumulated deht of more than CS11hn (including unfunded pension liabilities).

appointed by the government to examine Alberta's fiscal bangover, concluded earlier this year that "we have effectively used up all the savings of the Heritage Fund and more... These funds are no longer available for a rainy have led Albertans to take a new look both at their past and their future. They are questioning, as seldom hefore, whether they could have spent their oil

wealth more wisely.

At the same time, a new provincial government led hy Mr Ralph Klein, a former TV reporter and mayor of Calgary, has promised a new era of rigorous fiscal discipline.

The treasurer. Mr Jim Dinning, said in this year's hudget speech that "optimistic oil and gas revenue forecasts have no place in the hudgetary exercise. in future, we'd rather err on the other side." The latest hudget is predicated on average energy revenues over the

gary, estimates that royalties, income taxes and other levies paid by the energy industry Albertans no longer have savings for a rainy day,

make up at least 40 per cent of provincial government reve-

Oil and gas have hrought indisputable henefits to Alherta. Alone among Canada's 10 provinces, it has no retail sales tax. Personal income tax rates are the lowest

in the country. Mr Peter Lougheed, the provincial premier from 1971 to 1985, says that his policy was to spend heavily on capital pro-

A non-partisan commission,

Such sober assessments

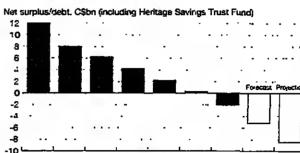
past five years.

Mr Gerry Protti, president of the Canadian Association of Petroleum Producers in Calwrites Bernard Simon "Each little department of gov-

ernment was a fieldom which did its own thing," says Mr George Cornish, retired city commissioner of Calgary who is now executive-in-residence at the local university's faculty of management.

In the second half of the 1980s, the emphasis shifted to diversification. Japanese and other investors built several wood-pulp mills with support from provincial coffers. A US-

Province of Alberta



1985/86 86/67 87/88 88/89 89/90 90/91 91/92 92/93 93/94

jects with the aim of building a modern infrastructure which could last for decades with minimum expansion, He ticks off an impressive

list, including a network of 124 hospitals (more than threequarters of them in rural areas); a modern highway system; libraries; two wellequipped technical colleges; an extensive tourism area in the Rockies foothills; and a C\$300m medical research foundation

financed by the Heritage Fund, The politicians seemed not to notice when the bottom fell out of the oil price in 1985/86. Oil and gas royalties, which averaged C\$4.8hn a year hetween 1981 and 1986, sank to an average of C\$2.3hn hetween 1988 and 1993.

Neither the quantity nor the quality of spending took account of this deterioration. Canadian consortium put up a magnesium smelter with the help of C\$163m in government loan guarantees,

The government nurtured and took an equity stake in NovAtel, one of North Amerlca's biggest cellular telephone

makers.
The success rate of these investments would make a hanker hlush. The province has already written off about 17 per cent of the CS12.2hn in loans and guarantees which it advanced in the cause of diversification.

NovAtel has disappeared. The magnesium smelter, which used an untried technology, has been mothballed. One source estimates that

another C\$1hn-C\$2hn in writedowns are unavoidable over the next few years. In particu-lar, the government is unlikely

to realise its investment in Gainers, a troubled meat processing company. A heavy oil upgrader on the Saskatchewan border, which was built with almost C\$300m of taxpayers

money, is also in the red. This poor fiscal management was largely hlamed on the patronage, cronyism and lack of co-ordination which flourished under Mr Donald Getty, who succeeded Mr Lougheed as

Mr Getty quit politics earlier this year. His successor, Mr Klein, has served notice that Albertans can no longer expect their government to keep spending in the hope that

energy prices will climb.

A Deficit Elimination Act, passed last spring, requires that the budget be halanced again within four years. The government has promised that. in the words of a budget document. "there will be no loop-

The oil-hoom largesse is being scaled back. The provincial health department is considering closing several of the hospitals huilt in the good years. Mr Klein has promised to end direct subsidies to business. In one small but controversial move, the government has stopped paying daily allowances to prisoners in provincial

Mr Protti says the mood among oil and gas producers has also changed. The industry is "no longer a high-flying play hased on commodity prices. Today, the attitude is very much that if you can't make money at \$18 a barrel, you had hetter make the changes required to make money, otherwise you're going out of husl-

Even the Heritage Fund is not expected to survive the climate of austerity. The fund stopped growing a decade ago when its investment income was funnelled into general revenues. The book value of its assets is now less than half the size of the provincial

The Financial Review Commission proposed that the fund he aholished as a separate entity. After a period of public consultation, the government

MODEST US GROWTH

Greenhouse gas

deadline missed

THE US economy is growing at a modest pace, figures indicated yesterday, writes Michael Prowse in Washington. The Federal Reserve said industrial production rose 0.4 per cent last month and 3.5 per cent in the year to July, more than recouping small declines

in output in May and June: The figures - consistent with forecasts of accelerated July. economic growth in the current quarter, after a disappointing 1.6 per cent annual growth rate between April and June - indicate that factory production is beginning to expand in response to rising

By George Graham in Washington and Frances

THE US administration has

missed its self-imposed deadline for producing a plan to curb emissions of gases that contribute to global warming.

Instead of completing the plan in time for the two-week international global warming

conference which began in

Geneva yesterday. White

House officials acknowledged they would probably not he ready before the end of next

The delay means the US has missed an opportunity to pro-vide leadership on the issue at

the intergovernmental meet-ing and has drawn criticism from some environmental

"Continued delay of the US climate action plan will send the wrong message to the world," said Mr Bill Eichbaum, of the Worldwide Fund for

Under the climate change

convention agreed at the Earth

Summit in Rio de Janeiro last

year, countries will be required

to come up with action plans to restrain their emissions of

groups.

Nature.

Williams in Geneva

broadly based and would have. been stronger but for a forther modest decline in car and truck ontput. The consumer goods, business equipment and construction sectors all registered production increases after previous declines.

Manufacturing output rose by 0.2 per cent last month and by 3.8 per cent in the year to

The level of industrial capacity utilisation rose slightly to 81.5 per cent, the average level in the first half. This is less than half a percentage point below the long-term average. suggesting that rapid increases in production would Last month's rebound was put upward pressure on prices.

carbons, methane and nitrous oxides - to their 1990 level hy

The US is the world's largest

source of greenhouse gases, with an estimated 5.2bn tons

emitted in 1990. Emissions are projected to grow hy 125m-200m tons this decade.

The task of devising a plan

to curb US emissions has been complicated by the Clinton administration's failure to per-

suade Congress to agree a sig-

nificant energy tax.
Issues for discussion at the

Geneva meeting include a com-

mon measurement standard

and how to account for joint

projects by two or more countries. Officials will also discuss

"joint implementation" - the

extent to which a country can claim credit against its own emissions target for financing

projects in another country

which can achieve the same nverall effect more cheaply. Funding for developing coun-

try projects is another contentions issue. While up to \$4bn (£2.6bn) may be available over

the next three years through the Global Environment Facil-

ity run jointly by the UN and

the World Bank, it has yet to

he decided which countries

the year 2000.

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS OF FIFTH PREFERENCE SHARES IN ADTLIMITED. WHEN CONSIDERING WHAT ACTION TO TAKE, SHAREHOLDERS ARE RECOMMENDED TO SEEK ADVICE FROM AN INDEPENDENT FINANCIAL ADVISER.

Notice of Redemption

to the holders of the Exchangeable Cumulative Redeemable Preference Shares 2005 of U.S. \$1 each

ADT Limited

(the "Company")

exchangeable for ordinary shares in BAA plc

Exchange Right Expires: September 21, 1993 Redemption Date: September 30, 1993

NOTICE IS HEREBY GIVEN to the holders of the Exchangeable Cumulative Redeemable Preference Shares 2005 of U.S. \$1 each in the Company ("Fifth Preference Shares") that all the Fifth Preference Shares will be redeemed on September 30, 1993 (the "Redemption Date"). This notice is given under paragraph (6)(v)(C) of the schedule to the Bye-Laws of the Company.

The Company is entitled to exercise its right under the Bye-Laws to redeem all the Fifth Preference.

Shares early since over 90 per cent. of the aggregate of the capital and premium paid up on the Issue of the Fifth Preference Shares [the "Issue Amount"] has already been exchanged into ordinary shares of 25p each in BAA plc ["BAA Shares"].

In accordance with the Bye-Laws, the price at which each Fifth Preference Share will be redeemed will be £10,000 being the Issue Amount of the Fifth Preference Share. Holders of Fifth Preference Shares.

will also receive a sum equal to any accruals of the fixed dividend on their Firth Preference Shares calculated down to (but excluding) the Redemption Dare.

The Fifth Preference Shares are currently exchangeable at the option of the holders into 2,268 BAA. Shares [the "Exchange Property"]. In accordance with the normal procedure the right of exchange attaching to a Fifth Preference Share may be exercised by the holder delivering the certificate for the attaching to a Fifth Preference Share may be exercised by the holder delivering the certificate for the Fifth Preference Share, accompanied by a duly completed and signed exchange notice and parment of all taxes and stamp, issue and registration duties (if any) arising on exchange in any jurisdiction other than capital or stamp duties poyable in Bermuda (if any) to the exchange agent, Bankers Trust Luxembourg S.A., P.O. Box 807, 14 Boulevard F.D. Roosevelt, L-2450 Luxembourg or to its agent, Credit Suisse, Paradeplate 8, CH-8001 Zunch, Switzerland. All capital or stamp duties payable in Bermuda (if any) in respect of the exercise of the exchange right and/or on delivery of the BAA Shares comprising the Exchange Property to the Fifth Preference Shareholder will be poid by the Company. Subject to the provisions of the Bye-Laws, the Company will deliver the relevant transfer forms and/or certificates for the BAA Shares comprising the Exchange Property to the Fifth Preference Shareholder.

Subject to the provisions of the bye-Law, the Company will delive the relevant transections and/or certificates for the BAA Shares comprising the Exchange Property to the Fifth Preference Shareholdet within 21 days after the business day following the date of delivery of the certificates and exchange notice. Certificates representing all Fifth Preference Shares so exchanged will be cancelled.

The Fifth Preference Shares so exchanged carry the right to the fixed preferential dividend on such shares in respect of all periods up to and including the end of the six month period ending on July 31, 1993 but not in respect of any subsequent period. Holders of Futh Preference Shares who wish to exchange their Fifth Preference Shares into BAA

Holders of Fifth Preference Shares who wish to exchange their Fifth Preference Shares into BAA Shares should inform themselves about and observe any applicable legal requirements. It is the responsibility of any person wishing to exchange Fifth Preference Shares for BAA Shares to satisfy himself as to the full observance of the laws of the relevant territory in connection with the exchange, including the obtaining of any governmental or other consents which mar be required or the compliance with other necessary formalities. In particular, the BAA Shares deliverable on exchange will not be registered under the United States Securities Act of 1933, as amended (the "Act"). Accordingly, the Company will not authorise the delivery of any BAA Shares or any document(s) of title in respect thereof in the USA or to any person who is, or whom the Company has reason to believe is, a U.S. person or who fails to make a declaration in the exchange notice referred to above to the effect that he is not a U.S. person and will not hold or acquire any of the BAA Shares obtained on exchange for the account of benefit of a U.S. person or with a view to the offer, sale of delivery, directly or indirectly, of any BAA Shares obtained on exchange in the USA or to U.S. persons. In this notice, "USA" means the United States of America, its possessions and territorics and all areas

subject to its jurisdiction or any political subdivision thereof; and "U.S. person" means any person who is a national or resident of the USA (including corporations, partnerships or other entities created or organised in the USA or any estate or trust that is subject to United States federal income taxation regardless of the source of its increme). regardless of the source of its increme).

The right to exchange Fifth Preference Shares for BAA Shares will end at the close of business at the place where the certificate for the relevant Fifth Preference Share is deposited on September 21, 1993,

being the seventh business day before the Redemption Date.

All Fifth Preference Shares in respect of which no effective exchange notice (together with the relevant certificates and payment) has been delivered by close of business at the place where the

certificate for the relevant Fifth Preference Share is deposited on September 21, 1993 will be redeemed on the Redemption Date. In accordance with the Bre-Laws of the Company, on the Redemption Date each Fifth Preference Shareholder is bound to deliver the certificates for all such Fifth Preference Shares held by him to the Registrars of the Company specified below. BY ORDER OF THE BOARD

J.D. Campbell Secretary

Registrars: The Bank of Butterfield Executor & Trustee

P.O. Box HM 1540, Hamilton HM FX, Bermuda

Registered Office: Cedar House, †1 Cedar Avenue, Hamilton HM 12, Bermuda

August 13, 1993

The contents of this adventuement have been approved for the purposes of section 57 of the Financial Services Act 1986 by Coopers & Lybrard, a prin authorised by The Institute of Chamand Accountants in England and Wales to carry on important business.

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS OF IDE-FOR FIFTH PREFERENCE SHARES IN ADTILIBITED. WHEN CONSIDERING WHAT ACTION TO TAKE, HOLDERS OF IDEG ARE RECOMMENDED TO SEEL ADVICE FROM AN INDEPENDENT FINANCIAL ADVISER.

Notice of Redemption to the holders of International Depositary Receipts ("IDRs") for the

Exchangeable Cumulative Redeemable Preference Shares 2005 of U.S. \$1 each

ADT Limited

(the "Company")

exchangeable for ordinary shares in

BAA plc

NOTICE IS HEREBY GIVEN that the Company is calling for redemption of all the Exchangeable Cumulative Redeemable Preference Shares 2005 of U.S. SI each in the Company ("Firth Preference Shares") on September 30, 1993 (the "Redemption Date"). The anention of holders of IDRs is drawn to the notice of tedemption from the Company set out

The anentron of holders of IDRs is drawn to the notice of tedemption from the Company set out opposite which contains details of the Company's right to call the Fifth Preference Shares for early redemption under its Bye-Laws and of the rerms of redemption.

The notice of redemption from the Company also contains details of the right to exchange the Fifth Preference Shares for ordinary shares of 25p each in BAA plc ["BAA Shares"]. The tight to exchange the Fifth Preference Shares will terminate at the close of business at the place where the certificate for

the reference Shares will feminiate at the cuse of distribute at the place where the reference to the reference Share is deposited in accordance with the exchange procedures on September 21, 1993, being the seventh business dar before the Redemption Date.

Under condition 7 of the IDRs, any IDR holder may request Bankers Trust Luxembourg S.A. (the "Depositary") to arrange the exchange of the Firth Preference Shares evidenced by his IDR(s) for 8AA. Shares. This right of exchange anaching to IDRs may be exercised by the holder delivering his IDR(s) together with all unmatured coupons, accompanied by a duly executed direction and payment and other documentation required in accordance with condition 7 of the IDRs, at the office of the Depositary of Credit Suisse [the "Agent") specified below, on or before close of business (local time) on September 20, 1993. Forms of direction are available on request from the Depositary and the Agent at

Separation of these coupons not so surrendered. IDRs and unmatured coupons. In default the Depositary or the Agent (as the case may be) will require payment of the face value of ann of those coupons not so surrendered. IDRs and unmatured coupons are the Agent (as the case may be) will require payment of the face value of ann of those coupons not so surrendered. IDRs and unmatured coupons delivered to the Depositary or the Agent will be cancelled.

Subsect or all applicable laws and require the subsect transfer forms and for carrifg transfer forms and for carrifg transfer forms and for carrifg transfer forms.

Depositative or the Agent will be cancelled.

Subject to all applicable laws and regulations, the relevant transfer forms and/or certificates in respect of the BAA Shares deliverable on exchange will be delivered to holders of IDRs in accordance with the instructions contained in the directions delivered to the Depositary or the Agent.

The attention of holders of IDRs is drawn in particular to the paragraphs of the notice of redemption from the Company set out opposite which concern legal requirements applicable where Firth Preference Shares are to be exchanged for BAA Shares. Holders of IDRs who wish to exercise the exchange right attaching to their IDRs should inform themselves about and observe any applicable legal requirements. It is the responsibility of those holders of IDRs to satisfy themselves as to the full absence of the laws referenced in the times reference to the laws reference to t observance of the laws referred to in those paragraphs of the norice of redemption from the Company. Holders of IDRs wishing to exercise the exchange right attaching to their IDRs will be required to make, in the direction referred to above, the declaration described in the notice of redemption from

If any holder of IDR(s) wishes to accept redemption at the redemption price specified in the notice of redemption from the Company (together with accrued dividends) he should surrender his IDR(s) together with a duly executed payment order at the office of the Depositary or the Agent specified below, at any time on or after the date of this notice. Each IDR surrendered for redemption must have attached all unmatured coupons. In default the face value of any missing innuatured coupon will be deducted from the sum due for poyment. Forms of payment order are available on request from the Depositary and the Agent at their addresses set out below. IDRs and unmatured coupons delivered to

the Depositary or the Agent will be cancelled.
If a holder of IDR(s) first either to make an effective election to exchange on or before close of business on September 20, 1993 or to accept redemption in accordance with the instructions in this notice on or before September 29, 1993, the Company will redoem the Fifth Preference Shares relative to his IDRIs) on the Redemption Date and the redemption monies will be paid to and held by the Depositary

pending receipt from the IDR holder of a duly executed payment order together with his IDR(s) and all unmatured coupons thereon. lit order to enable payments to be made in an orderly mannet, the Depositary is suspending the withdrawal of Deposited Property (as defined in the IDRs) from the date of this notice up to, and

including, the Redemption Date, under condition 3 of the IDRs. The amention of holders of IDRs is drawn to the conditions endorsed on the IDRs and in particular to conditions 5 and 7 which contain further details about cash distributions and exchanges.

Depositary Bankers Trust Luxembourg S.A., P.O. Box 807, 14 Boulerard F.D. Rooserelt, L-2450 Luxembourg Bankers Trust Luxembourg S.A.

Paradeplatt 8, CH-8001 Zurich. Switzerland

August 17, 1993 The contents of the advertisement have been approved for the purposes of section S7 of the Financial Service: Ser 1986, in Coopers & Lyerand, a firm authorised by The Institute of Chartered Accountains in England and Wales to carry on incomment business.

warming gases - principally should benefit and what types carbon dioxide, chlorofluoro- of project should qualify. # 1 THE FIRST INDEPENDENT RUSSIAN STATES LICENSED AIR CHARTER CO. CHARTER • SALES • MANAGEMENT 9/9/= 1 201 993 93 93 ALG AEROLEASING 65 481 95 22 ASIA Geneva 41-22/798 45 10 Zürich 41-01/814 37 00 CIS 7 044 216 44 78

crack whip at Rafsanjani

PRESIDENT Ali Akhar Rafsanjani of Iran suffered the first serious defeat of his career yesterday, when the Majlis (parliament) rejected the re-appointment of Mr Mohsen Nourbakhsh, the economy and finance minister, who had been entrusted to push through radical economic reforms, However, Mr Rafsanjani

immediately appointed Mr Nourbakhsh vice-president for economic affairs, stressing in a decree read on television his valuable experience in reforming the economic system and continuity of restructuring pol-

With earlier praise of Mr Nourbakhsh, who many blame for the continued decline in the economy, the president made it clear during the endorsement debate that his rejection would be a vote of no confidence in

The present Majlis was elected on a ticket of economic reform to reverse the damage done by the eight-year war

The new cabinet, first announced by Mr Rafsanjani nine days ago, was from the start an exercise in compromise, mainly in response to pressure from Ayatollah Khamenei, the country's spiritual leader, and to opposition from the right-wing members of the

Part of the paralysis in Iran since the death of Ayatollah Khomeini has been because of the existence of too many power bases. President Rafsaniani spent much of the last four years trying to consolidate his own authority.

The election of a more moderate Majlis last year was to have been the last step, making it a two-sided power struggle between Mr Rafsanjanl and the spiritual leadership. Yesterday, however, it appeared to bave become a three-way

The survival of Mr Gholamreza Aqazadeh, the oil minister, who received the lowest vote of the 22 ministers endorsed by the Mailis, may have come as a small consolation to Mr Rafsanjani. However, few leading Iranians bave who has presided over a ministry that is considered mori-

The rejection of Mr Nourbakhsh is a clear signal to the president that he has done too little too late, and can no lon-

By Alexander Nicell

A CHALLENGE to President

Lee Teng-hul's leadership of

the ruling Kuomintang Nation-

alist Party has widened internal divisions which pose a

growing threat to the party's 44-year hold on power in

Delegates to the KMT's 14th

congress, which opened yester-day, said that they were seek-

ing sufficient signatures to

nominate a rebel candi-date - Mr Chang Feng-shu, 65,

a former minister of state and

mayor of Taipei - in tomor-

row's elections for the party

the post. But the dissidents'

move underlined growing

anger within the party at the

slow pace of democratic reform

and of measures against cor-ruption. In last December's

parliamentary election, the

KMT's chare of the vote fell to

Unrest within the party was highlighted last week when six

prominent members of parlia-

ment hroke away to form the

New Party, saying the KMT

too much attention to interests

Mr Lee acknowledged yester-day that the party was threat-ened by internal factional

struggles and growing political

opposition.
"in recent years, pluralism
in society has led to differences

in political ideology among our

comrades, posing a severe chal-lenge to us in elections," he

"Implementing internal reform is more difficult than

tackling external challenges.

But our goal has been set and

we must overcome all obsta-

told the congress.

cles." Mr Lee said.

of wealthy businessmen.

a record low partly because of popular disquiet about corrup-

Mr Lee is expected to retain

chairmanship.

Kuomintang rift

poses threat to

hold on power

ise a jaded cabinet team may have cost him the support he so badly needs to carry through his ambitious programme of reforms.

The religious establishment led by Ayatoliah Khamenei, still hlames the pace of change for the riots in five large Iranian cities a year ago. The removal of two hardliners, Hojatolislam Abdullah Nouri, the interior minister, and Mostafa Mo'in, at culture and higher education, was a ges-ture to the Majlis, but it was

President Rafsaniani had hlamed the hardliners, who dominated the post-revolution Majlis, for all the country's ills. Their removal was hoped to leave the way clear for rapid modernisation, financed by foreign investment.

The theory has not translated into practice. A year later the economy is still in decline with a serious backlog of short-term debt.

This lack of progress has been put squarely at the door of the cabinet. The new Majlis, elected on the slogan of "support Rafsanjani", is now calling for the blood of those surrounding the president. Mr Rafsanjani did manage to

resist the pressure from Ayatollah Khamenei to elevate Mr Ali Akbar Velayati, the foreign minister, at the price of keeping him in his present post. The appointment of Ali

Mohammed Besharati, a career diplomat allied to Mr Rafsaniani, as interior minister, is a boost for or the president. It is the first time, except for a brief interval in 1981, that a non-cleric bas held the

The departure of Hojatolis-lam Nouri from the interior ministry, leaves just two clerics in the cabinet: Hojatolislams Ali Fallahlan, at information, and Mohammed Sboustari, at justice.

Mr Abdol-Hussein Vahhaji has also heen removed from the ministry of commerce. He was plagued by claims that senior personnel in his ministry had received huge commissions on foreign dealings. He is replaced by Mr Yahya Al-

The removal of Mr Ali Torkan from the ministry of defence came as a surprise, as he appeared to enjoy the respect of all the armed forces. However, the merging of the army and the Islamic Guard ger rely on the men he brought had caused tension.

President Lee Teng-bui: could

The congress is expected to

Talwan with General Chiang

Kai-shek in 1949 When the

Communists took power in China - from the 31-member

Central Standing Committee. This will virtually complete

the transfer of power from the

veterans to local-born politi-

partly a reflection of this transfer, as Taiwanese people take

an increasingly pragmatic view

ahout relations with China.

The New Party is advocating

The internal travails are

cians such as Mr Lee.

direct transport links.

'- veterans who fled to

face challenge from rebel

candidate at party congress

Iranian MPs | Lebanese leaders review troop deployment

By Roger Matthews Middla East Editor

LEBANON'S leaders began top-level talks in Damascus yesterday after Syria had volced concern over the Beirut government's plans to deploy troops in the south of the country, recently subjected to a week-long bombardment by israel

The announcement of the troop deptoyment had been welcomed by Israel and the US.

Both countries saw the move as an attempt by the Lebanese government to control the activities of the Iranian-

backed Hizbollah guerrillas. It was the attacks by Hizbollah on Israell troops occupying the southern

Israel and the US see troop deployment as attempt by Lebanon to control Hizbollah

strip of Lebanon which sparked the furious Israeli response, forcing more than 300,000 people from their homes and leaving at least 120 dead.

In the past two years the Lebanese army has collected most of the heavy weapons of the militia forces, except those of Hizbollah, which is deemed to be fighting a war of national libera-

The initial announcement from Beirut that it was sending troops to the south was seen as an attempt to extend its authority over a wider area of Lebanon. However, in the face of Syrian opposition, only 300 troops have been sent south and no further deployment is expected.

Syria, which maintains more than 30,000 of its own troops in Lebanon,

movement of Lebanese forces would

In a long interview with a Beirut newspaper, President Hafez al-Assad of Syria stressed that it was his duty and that of the Beirut government to strengthen the resistance and if nec-

essary to protect it. "Maybe at times we need to guide tt, but only to increase its effective-ness," he said.

The seriousness of Syrian concern was underlined by the presence in Damascus yesterday of the top three

members of the Lebanese leadership, President Elias Hrawi, Mr Rafik al-Hariri, the prime minister, and Mr Nabih Berri, the speaker of the

national assembly.

It is believed in Beirut that the Lebanese leaders, anxious to provide security for villagers returning to the south, announced the deployment of the army without consulting Syria, or perhaps taking fully into consider-ation the wider interests of Damascus.

Syria has been accused by some Israeli and US leaders of using Hizbollah to increase its leverage at the Middle East peace negotiations.



South Korean riot police chasing students during an anti-government demonstration outside Seoul's Yonsei University in protest at a ban on a "pan-national" rally they had plans to hold

S KOREAN STOCKS STORM SUBSIDES

Korea's financial markets yesterday as the stock market rebounded sharply after tumbling late last week in response to a ban on the use of allases

By Tony Walker in Beijing

CHINA and Britain yesterday expressed

hope that progress in negotiations over

Hong Kong's future could be achieved

in time for a meeting which has been

scheduled for September between

CALM returned to South in financial transactions, the 725 level on Thursday writes John Burton in Seoul. The general share price index rose by 25 points from shares, twice last week's vol-Saturday's close to 691, ume, as investors took advan-although it still remains helow tage of buying opportunities. lia was larger than that of any other country. Now Japan was

negotiator, said yesterday.

rounds of talks".

Mr Jiang said there would be several

more rounds of negotiations before the end of September and "we hope that

more progress will be made in these

Mr Douglas Hurd, Britain's foreign

the foreign ministers of the two coun-tries, Mr Jiang Enzhu, China's chief Mr Qian Qichen met in Beijing in July franchise for elections due in 1994 and Mr Qian Qichen met in Beijing in July 1995. Beijing says this plan contradicts

when the ban was announced. Trading was brisk at 31m

China, UK hopeful on Hong Kong talks

Nigeria's government proscribes newspapers

government yesterday pro-scribed newspapers shut last month, including one owned hy Chief Moshood Ahiola, victorious candidate in the June presidential poll which was subsequently annulled by General Ibrahim Bahangida.

Mr Abiola, interviewed in London, condemned the action, saying: "This is just the beginning of a new darknes of a type Nigerians never believed they deserved. Babangida has signalled to the world that consent no longer forms any part of the code of government."

The decree outlaws newspa pers published by the Concord group, owned by Mr Abiola, as well as those of Punch, the Daily Sketch and Bendel Newspaper Corporation.

The government closed the publications on July 22 in the biggest press clampdown since independence in 1960, accusing the papers of bias. General Babangida post-

poned a speech to the National Assembly yesterday, and is expected to give details of his proposed interim government today, his 52nd birthday. Yes-terday's clampdown on the press reinforced widespread doubts that he will hand effective power to the new adminis-

Lagos re-opened for husines yesterday after a three-day mass stay-at-home protest, which left the city deserted from Thursday to Saturday. The Campaign for Democracy, which organised the protest promised more action, saying that "the struggle to terminate military dictatorship from our land has just begun and to that extent no amount of intimida tion ...victimisation and oppression can stop the on-going people's march towards

Thousands of people are flee-ing the cities, particularly in the south-west, Mr Abiola's

political strongold. "As we get nearer the fateful 27th of August, the spate of



Moshood Abiola: widely seen as victor in June election

flight has escalated," the Lagos Guardian newspaper sald in an

editorial "The climate of fear is exac-erbated by widespread rumours of large caches of arms discovered in different parts of the country, of com-munities determinedly arming themselves," it added.

Japan's stake in Australia shrinks

JAPANESE investment in the third largest investor in the country behind Britain and Australia is shrinking, Austra-lia's foreign affairs and trade department said yesterday, Reuter reports from Canberra. "While lower Japanese investment in Australia is part of a global slowdown in Japa-

nese long-term capital outflow, more severe in Australia than elsewhere," the department said in its latest Quarterly Economic and Trade Review.

In 1989/1990, Japan's share of foreign investment in Australia was larger than that of any

in an attempt to break the impasse on understandings reaching with London

China has been deeply angered by negotiator, declined yesterday to proplans advanced by Mr Chris Patten, vide details about progress in the talks.

the US, the report said.

Japanese investors had withdrawn more than A\$4bn (\$2.7bn) in investments in Australia in the six months to March 1993. Weakness in the Australian dollar may have anese interest.

• The Australian government yesterday rejected complaints by US-based United Airlines that Australian regulations would make its planned flights into Australia via Tokyo unprofitable, Reuter adds.

on the transition to Chinese rule in

Sir Robin McLaren, Britain's chief

vide details about progress in the talks, but he did say: "We have a lot of work

to do, and we have been getting on with

Kuwaiti labour plea

A KUWAITI trade union yesterday accused manpower companies of ill-treating foreign workers and demanded greater legal protection including a minimum wage for the labour they provide, Reu-

"These companies have greatly damaged Kuwait's image abroad through their continuous violations of labour laws and their inhuman practices including trading in humans," the Union of Oil and Petrochemical Industry Workers said.

Hundreds of manpower companies provide foreign labour to state-owned corporations

Two thousand foreigners employed by a local manpower company went on a rampage during a one-day strike earlier this mouth, overturning cars and smashing up rooms at the Kuwait National Petroleum's Mina Abdulla refinery.

The workers, mainly Indians and Bangladeshis, complained of bad food and living conditions and irregular wage pay-

Beijing stumbles over 'good art'

Tony Walker reports on the problems of a new wave of film-makers

authorities have not said pub-

co-operate in changing the

commits suicide.

of the acclaimed movie, Farewell To My Concubine, was almost speechless with rage and frustration: "How can I say anything? What should I say? Should I say the government did the right thing? But that's not the truth. Should I say the govern-ment did the wrong thing? If so, how how could I stay on in

"If you quote me directly it could land me in trouble," he says, before pausing and then adding: "Well, if you really must quote me, say I don't understand." Two weeks after the Chinese

authorities withdrew permis-sion to be shown after just one viewing in Beijing for Mr Chen's film, which shared this year's Palme d'Or at Cannes with Jane Campion's The Piano, it is difficult to fathom where the decision leaves the new wave of Chinese film-makominously, the ban heralds a new chill in official attitudes towards art and literature.

Wang Shuo, the angry young man among Chinese Writers whose books with their earthy real-life dialogue are often subject to feroclous criticism in the fusty official press, believes that a cooler breeze has been gusting through artistic circles for the past several months. "We could feel the chill since the spring," he says. "It's a definite trend." As for the deci-

sion to ban Farewell To My

Concubine, it was "stupld and was a prescription from Chipoisonous", he adds. Other writers, such as play-

wright Guo Shixin, take a more phlegmatic view, and believe that problems over Farewell To My Concubine are peculiar to the film itself, and trend. "The biggest obstacle now is writers' self-censorship," he says. "After decades of political pressure, they tend to put limits on themselves automatically.

Whatever the truth, there is no doubt the row over Chen Kaige's film, with its poignant cenes from China's recent turhulent Cultural Revolution past and its implied criticism of the Communist party, has

The biggest obstacle now is writers' self-censorship

come as a sharp reminder of limits on literary and artistic endeevour, even as Beijing continues to proclaim its commitment to an opening to the outside world. The difficulty facing the

authorities in judging what is and what is not acceptable in their terms, was reflected in arguments put forward by Mr Liu Zhongde, the culture minister, in a recent People's Daily article, in which he sought to define what was appropriate in the new market economy. It make the change. It will be a

film without an ending. Audiences would be very surprised na's leading cultural commissar that would hardly have engendered much confidence to see a film without an endamong artists and writers in The Farewell To My Concuthe government's commitment bine saga is unlikely to fade

the Hong Kong issue. They agreed then

to meet again at the United Nations General Assembly in New York.

Hong Kong's governor, to broaden the franchise for elections due in 1994 and

to literary and artistic freedom. soon, happy ending or no "At a time when popular art happy ending, nor is there likely to be truce between Chiis rapidly developing, we must use the law to stop 'garbage na'e new hreed of avant garde art' from running rampant," said Mr Liu. "We should also film makers and the authori-ties, now that these talented reward artists who make 'good' directors and producers have discovered a means to make their films using private donaart and punish those who create 'crass' works." It is not clear where Farewell tions and equipment without to My Concubine falls between having to rely on the state. these categories since the They have also tapped a receptive and encouraging interna-

licly why they object to the film, although it is widely assumed that China's party tional audience.
Underground film-maker
Zhang Yuan, for example, was elders found distasteful a homosexual scene and a down-There is no more beat ending in the which one of the leading characters footage... It will be a film without Themes of despair and hopelessness are not deemed be appropriate in modern postan ending'

Cultural Revolution China, marching as It is towards a able recently to defy official attempts to prevent him taking his radical work, Beijing Basglorious new dawn under tha banner of socialism with Chinese characteristics. tards, to the Locarno film festi-val in Switzerland. China had Mr Chen, meanwhile, awaits the verdict of the censor, who had already chopped about 50 feet out of the film before its asked the organisers to withdraw the film, which depicts the seamy side of life in the one and only showing in Bei-jing. He insists he will not Chinese capital, and features China's reigning rock idol, Cui

Other works that have been "If they want to do it, fine." attracting attention recently, he said recently. "But there is include Wu Wenguang's 1966. no more footage with which to My Time in the Red Guard, and Bumming in Beljing - The

Last Dreamers. Films like these, made on a shoestring, will not be released officially for the time being, since the state controls all means of distribution, but they are being shown to smaller, private audiences, and thus are helping to attract a following for their authors, and perhaps more important, financial sup-

Independent directors such as Zhang and Wn might also draw comfort from the example of Zhang Yimou, whose Raise the Red Lantern was initially not allowed to be shown in China. The authorities eventually relented late last year after it had won widespread

international acclaim Chen Kaige, who has graduated from low-budget films to works such as Farewell To My Concubine which cost several million dollars to make, is obliged to tread carefully these days since he requires official Chinese approval for his next venture. if it is to be shot and shown on the mainland.

Chen is also being ohliged to shelve for the moment plans to make a film about Nian Cheng'e harrowing novel, Life and Death in Shanghai. This could hardly have avoided negative reference to the Communist party and taboo subjects such as Mao himself.

Instead, Chen is embarking on the safer Shadow of a Flower, a love story set in 1930s Shanghai. China's cul-

Liberia factions agree government

3

and services. The services

- 4

10 3

Liberia's three former warring factions yesterday agreed a five-member transitional government to steer the country to elections next February, Reuter reports from Cotonou. The factions each chose one

member of the council and the two remaining posts were cho-sen by a group of eminent Lib-erians selected by the factions. The agreement left Charles Taylor's National Patriotic

Gunman fires on Nile tourists

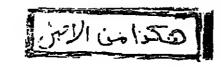
A gunman fired shots at a boot carrying 44 British tourists on the Nile in southern Egypt yesterday but nobody was hurt, the interior ministry said, Reuter reports from Cairo.

Moslem militants have devastated Egypt's tourist industry with a series of gun and bomb attacks.

Indonesia eases visa curbs

Seeking to stiract more tour-ists, Indonesia yesterday began allowing visitors from 45 countries to stay two months without visas, the immigration office aumounced, AP reports from Jakarta. The visa-free visits cannot be extended or used for busi-

in 1992, more than 3m for-signers visited Indonesia, up from 2.5m in 1991; Tourist tural commissars should be earnings rose from \$1.4bn in able to live with that.



More Nonstops To The U.S.A. Than Any Other Airline In The World.

Every day, Delta Air Lines makes it easier for people all over Europe to do business in the U.S.A.

By offering more nonstops from Europe to the U.S.A. than any other airline in the world.

As well as convenient service to over 250 destinations across America.



a 1993 Delta Air Lines Inc.

1992

South Africa UK's very tangible benefits of invisibles chafes at customs link

By Philip Gawith in Johannesburg

THE Southern African Customs Union meets today in Swaziland to discuss its future amid increasing indications that South Africa, the senior partner, wishes to revise the terms of its participation.

Sacu - consisting of South Africa. Namibia. Botswana, Swaziland and Lesotho - has existed in various guises for more than 100 years, and has been the most successful of the regional economic structures in southern Africa, Domestic fiscal pressures, however, have led over the past year to vocal protests in South African government circles that the system cannot continue in its cur-

The root of the complaint is that while South Africa contributes 90 per cent of all revenue to the customs pool, its share of receipts has declined to 44 per cent from 73 per cent a decade ago. In the case of countries like Lesotho and Swaziland, these payments amount to more than a third of national income, in the 1991/2 fiscal year, South Africa paid more than R4.5bn (81.3bn) to other Sacu members, with about 40 per cent going to the nominally independent homelands in South Africa.

According to Mr Gerhard Croeser, director general of the Department of Finance, today's meeting is "just to have an exchange of views, not to make demands". South Africa is too close to implementing new transitional government arrangements for any big policy sbifts. Although the discusslons will be techolcal in nature, they do have important ramifications, particularly for the future of regional economic

As Mr Derek Keys, the minister of finance, said earlier this month, the Issue is not whether South Africa should



am saying is that you cannot justify the size of these payments in terms of the Customs Union. If we were to include other potential members into this arrangement, our system would run downhill at a rate which would be truly alarm-

ing."
If the Sacu formula is amended so as to make it possible for other countries to join - and some have expressed interest - this would cast serious doubts over the future of the Southern African Development Community as the premier regional vehicle for economic integration. The other main item up for

discussion will be the terms of South Africa's revised tariff offer to Gatt in the Uruguay Round. Due to he tabled by the end of the month, it is likely to involve a cut in the number of tariff lines from 12,000-plus to about 1,000, and a substantial cut in the average level of protection. The issue will be how to reconcile South Africa's tarlff policy with the needs of other Sacu members, all of whose economies are much

Banks

Unit trusts

Baltic Exchang

Lloyd's Register of Shipping Money market brokers Finance leasing

Emma Tucker on a 20% rise in the City of London's foreign earnings from financial services

NET OVERSEAS RECEIPTS OF UNITED KINGDOM FINANCIAL INSTITUTIONS (£m)

1985

1888

1987

1968

1984

1983

1982

MAGES of young men and women aggressively selling the pound on Black Wednesday last September did little to endear the City of London to the British public. But the UK's financial centre

into the nation's affectious with the publication yesterday of detailed invisible earnings

These show that although City and other financial instioffset the UK's considerable trade deficit last year, the deficit on the current account would have been considerably worse without the overseas earnings of the Square Mile.

According to British Invisi-bles, a trade group which pro-motes UK financial and other receipts of UK financial institutions jumped 19.8 per cent last year from £15.7bn in 1991 to The strong performance con-tributed to an overall invisibles

surplus of £4.8bn in 1992, compared with a surplus of £2.6bm in the previous year. With a visible, or merchandise, trade deficit of £13.4bn the overall current account deficit in 1992 was £8.6bu, considerably lower than had been

expected. It compared with a

deficit of £7.5bu in 1991 and

The improvement in invisible earnings was distributed fairly evenly across the whole financial sector, with particuby pension funds, investment and unit trusts, insurance institutions and dealers operating in the securities markets.

But although the figures are promising, the underlying per-formance of the services and last year by the devaluation of sterling in September. This boosted income earned

in foreign currencles in the fourth quarter and there was a corresponding sharp rise in portfolio earnings. Total income from portfolio invest-

last year to £10.6hn. Within this, portfolio investment income for the banking sector rose hy 19.2 per cent, reflecting a greater emphasis on investment in securities. Pension fund income from portfollo investment rose to

£2.2bu compared with £1.56bn

the previous year. While welcome, the leap in earnings will only improve the UK's current account position in the long term if the pound stays at its present level. If not the better invisibles eurplus resulting from the devaluation

will prove transient. Neither British Invisibles nor the Central Statistical Office was able to say yesterday how

overseas earnings from financial institutions stemmed from the devaluation of sterling and how much was due to an

performance of the sector.

Tha overall increase might have been exaggerated by special factors, but there hes unquestionably heen some bealthy growth underneath," said Ms Jill Leyland, who prepared the statistics for British invisibles.

The figures showed that bank earnings from overseas increased by 10.3 per cent last year to £8.7bn. British Invisibles said the good figures were due lu part to the reduced costs of the hanks' overseas

the sharp rise in portfollo

29 33 85 84 40 40 -64 -24 13,754 15,709

1990

1991

Dealers operating in the securities markets earned a net £1.4bn last year compared with £791m in 1990. Although this series is erratic. Ms Leyland said the jump prohably reflected the turnoil of the markets in September last

Earnings for the insurance sector were the best for five years with net overseas receipts jumping 21.6 per cent to £4.3bn compared with £3.5bn

Mr Tony Baker of the Association of British Insurers said that while davaluation had boosted earnings, particularly

20 20

North America, the rise also reflected a substantial increase in portfolio investment income as a result of higher unvestment in overseas equities and industrial bonds.

These figures show the importance of the insurance sector to the UK economy." said Mr Baker. "You have to ask where we would be without them, especially when you look at the balance of trade

Net services income of the insurance sector was adversely affected by continuing higher claims, widespread flooding in Europe last September and, to a lesser extent, Hurricane Andrew in the US, British invisibles said.

plant deal signed

Germany, a company in the Lurgi Group, Itself an engineering services subsidiary of Metallgesellschaft, has signed a second contract with China Petrochemical International (Sinopec) for the supply of a further polyester plant, Our World Trade staff writes. The value of the order amounts to more than DM50m (£19.4m).

The plant operator is to be Llaoyang Petrochemical Fibre, a subsidiary of Sinopec. It will incorporate a two-line spinning facility designed for daily production of 100 tonnes of

ZIMMER of Frankfurt in staple fibre per line spun direct, using melt polymer as

Zimmer will supply the process technology, basic equip-ment and will supervise building and start-up. The source of the polymer will be the polyester polycondensation plant being supplied by Zimmer under a contract awarded in

The polycondensation plant and the spinning plant will be built at the fibre company's site 800 km north-east of Beijing. The two plants are due to be commissioned in 1996.

Chinese polyester | GrandMet wins approval for India drinks venture

GRAND METROPOLITAN, the UK-based food, drinks and retailing group, is to establish a joint venture in India to produce and market liquor for local consumption and

The group announced yesterday that approval for the venture, which will begin operations later this year, had been granted to International Distillers and Vintners, its drinks division.

IDV will have a majority interest in the new company, International Distillers India. Agreement had not yet been signed with its local, unnamed, partner but oegotiations were

at "an advanced stage", Grand-Met said. GrandMet has spent several

years researching and planning the joint venture, which will take advantage of recent liheralisation and economic reform by the Indian government in a market worth £800m

"In the light of the reforms, which are most encouraging, the way is now clear to implement our investment plan for India," said Mr John McGrath. IDV's chief executive. "It is a country of enormous potential both for IDV hrands and, subsequently, for the wide portfo-lio of GrandMet's hranded

products. The venture will produce and market brands such as Smirnoff vodka, Gilbey's gin, Malihu liqueur and Archer's A marketing and sales staff

of between 50 and 70 people is expected to work initially from regional offices in New Delhi, Bombay, Calcutta, and Banga-IDV has operated a company

in neighbouring Sri Lanka since 1980, and has had a production plant in Colombo, the capital of Sri Lanka, since United Distillers, the Guin-

ness spirits company, recently announced a joint venture in India with United Breweries. one of the country's largest drinks producers.

Japanese face rice shortfall

JAPAN'S nuseasonally wet summer could mean a rice shortage, necessitating imports for the first time in 10 years, industry analysts said yesterday, Reuter reports from Tokyo.

They forecast a shortfall of 50,000-250,000 tonnes and warn that Japan may need to import that amount by the end of the year.

However, an Agriculture Ministry official in charge of state-controlled food imports said there was no plan to import rice. The analysts expect only

about 250,000 tonnes to be rolled over from 1992 stocks, which in turn have been depleted by a series of typhoons. Japan has not imported rice

since the government allowed in 150,000 tonnes of South Korean rice in 1984.

Tokyo bans commercial imports of rice to protect local farmers and to ensure national self-sufficiency in the staple food. The government argues that self-sufficiency is vital for national security and has rejected a Gatt proposal to remove the barrier.

This baa been one of the ubstacles to the conclusion of the Uruguay Round of multilateral trada talks, which started in 1986.

Announcement

The Japanese Government Bond

(JGB) futures will be traded on SIMEX starting 1st October 1993. The SIMEX JGB futures, together with its Euroyen and Nikkei futures and options, offers a comprehensive risk management package for your Japanese investment portfolios. For Japanese equities, long and short term interest rates, you can now instantly execute your JGB, Euroyen and Nikkei trades in one Exchange, through one broker in one of the most cost efficient markets in the world.

Contract Specifications

JGB with 6% coupon.

New York

Contract Months

Contract Size

5 March quarterly cycle months

Minimum Price

Fluctuation

¥0.01 per ¥100 face value

(¥5,000 per tick)

Daily Price Limit

None

Trading Hours

Singapore 7.45am - 10.30am & 11.30am - 5.00pm 8.45am - 11.30am & 12.30pm - 6.00pm Tokyo

¥50,000,000 face value notional long term 10-year maturity

London 11.45pm - 2.30am & 3.30am - 9.00am

6.45pm - 9.30pm & 10.30pm - 4.00am

Last Trading Day

One business day immediately preceding the Tokyo Stock Exchange (TSE) 10-year JGB Futures' Last Trading Day.

Settlement Method

Cash Settlement based on the Official Opening Price (Hajimene) of the TSE's 10-year JGB Futures contract on the

Information Sources

TSE's Last Trading Day Reuters JGSE (Monitor)

Telerate

SJB (RIC) 7253 Quick SIM17 (Video 10)

Knight Ridder

66II (Video I) 1574

Please call SIMEX JGB section for details. Singapore International Monetary Exchange Limited 1 Raffles Place #07-00 OUB Centre, Singapore 0104 Tel: 65-539 1105, 65-539 1133, 65-539 1109, 65-539 1152 Fax: 65-533 6162

Exim Bank loans to Boeing

It has been been courted by

British Aerospace, Aérospa-tiale of France, Deutsche Aero-

THE Export-Import Bank has huy up to 80 US airliners worth promised to provide Boeing with \$6.2bn in financing to help the company in its drive to win a huge jet order from Saudi Arabia, an Exim Bank official said, Reuter reports

from Washington. The bank said it was its biggest preliminary financing commitment, and could involve a combination of direct loans and loans guarantees.

national carrier, is seeking to

Seudia, Seudi Arahia's

space and Casa of Spain. The Exim Bank commitment would enable Boeing to match the financing terms available

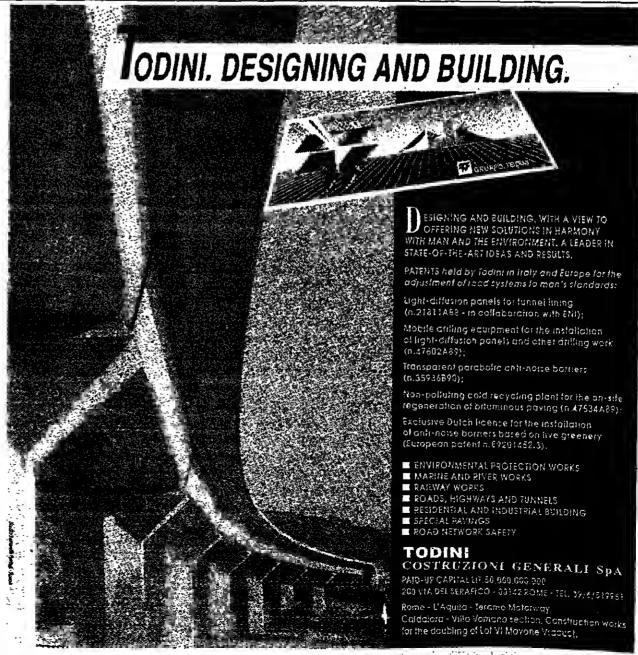
as much as \$8bn.

to Airbus for its bid, the bank Financing terms on auch

orders are governed hy an agreement among industrial nations under the auspices of Boeing, McDonnell Douglas the Organisation for Economic and Airbus Industrie, the Europe consortium made up of Co-operation and Development. A spokeswoman for the bank described the potential order as a "multi-aircraft transac-

tion" with deliveries to the year 2000.

Exim Bank normally does not provide details on prelimi-nary commitments, but did so in this case with Boeing's



Strong retail sales boost recovery hopes

By Emma Tucker and Stephanie Flanders

RETAIL sales rose in July for the seventh consecutive month, registering their stron-gest growth for more than three years, according to a Confederation of British indus-try (CBI) survey published

The latest distributive trades survey by the employers organisation shows that for the first time since 1990, more companies are indicating that sales are above average, rather than

below, for the time of year.
The naws is likely to fuel fears that consumer spending is acting as the spur to economic recovery, particularly after a string of figures last week suggested that growth in the manufacturing sector was

slowing.
But Mr Andrew Sentance, the CBI's director of economic affairs, said yesterday that the improvement in sales suggested "eteady growth rather than a consumer boom. Even now, fewer than one in four retailers consider trading conditions to be good".

The improvement in shop sales has not yet benefited retailers of all sizes, according to Mr Sudhir Junankar, an economist at the CBI.

Retailers with only one outlet were still reporting that trade was lower than a year earlier", he said. "This indicates that the steady monthly growth in retail sales has not yet extended to all corners of the high street."

The CBI said the pick-up in

Motor Industry Correspondent

PEUGEOT-Talbot, the UK subsidiary of the PSA Peugeot

Citroen of France, is dropping production of the Peugeot 405

at its car assembly plant at.

Britain in brief

Procurement

agency to be

The Crown Agents, the government controlled pro-

curement, technical and finan-

cial services agency, is to be Three quarters of its busi-

ness is already financed from

sources other than the UK aid

programme. Over the 10 years

to 1991, it brought procure-ment orders worth about £2bn

to almost 8,000 UK companies. It manages the equivalent of \$4bn on behalf of 300 govern-ments or public bodies.

In February this year, it was

appointed by Japan's Foreign Ministry to procure food for

distribution in Russia as part

of Japan's first emergency

humanitarian aid package to

former Soviet republics, worth

Thomas Cook, the UK's second

biggest travel agency chain,

has fired the opening salvo in

the campaign for the summer

Travel agency

a total of \$100m.

cuts prices

privatised

through only slowly to the rest of the economy. Retailers still consider stock levels to be too high and orders placed with suppliers are growing at a much slower rate than sales, a pattern that is expected to con-

Official figures from the Central Statistical Office show retail sales to be growing at an annualised rate of 3.1 per cent. Growth has been above 3 per cent since March.

Car sales rose modestly in July after two months of year-on-year decline, and orders for cars have risen sharply. There was a build up in stock levels among wholesalers. The CBI said they were now experiencing more sluggish trading con-ditions than in the past few months.

Although a higher number of respondents expect to sell more vehicles this month, on balance they do not think sales will match the level usually

seen in August. In the wholesaling sector, a positive balance of 35 per cent of respondents reported higher sales in the year to July. This is the fifth month of healthy year-on-year increases in this category.

The survey, which covered 15,000 outlets in retailing, wholesaling and the motor trada between July 20 and August 4, found that Britain's clothing and footwear retailers had enjoyed the most buoyant

sales in July.
Off-licencas, by contrast, reported a further sharp fall in sales in the year to July. Sales in this sector have decreased retail spending was filtering every month since June 1992.

Peugeot-Talbot ends 405 output

> of the year, while sales in France, where Peugeot'e mar-ket share is being seriously eroded, have fallen by 17.1 per Meanwhile, Vauxhall, the UK subsidiary of General

of 1994, offering a 10 per cent

discount on all holidays in its new package tour brochure.

will add its contribution. Thomas Cook, controlled hy Westdeotsche Landeshank,

expects the package holiday market to grow by 10 per cent

in 1994, equivalent to an extra

Consumers continued to repay

their debts in the second quar-ter, with the number of people

slightly in arrears on credit repayments falling compared

with a year ago. Infolink, the

credit information group,

reported that the value of an

average outstanding consumer credit commitment was 3 per

cent lower in the second quar-

ter than in the same period a

papers in its Budget in November Oxford Economic Forecast-

ing warned in a survey of the UK's economic prospects. The group of economists sug-gests that VAT on books and

newspapers would raise £1.1bn

in 1994-85 and push up infla-

tion by 0.3 per cent.

year earlier.

Warning on

retail tax

Today Thomson, the market leader among tour operators, will launch its 1994 brochure and next week Owners Abroad

cent in the first seven months

Ryton, central England, because of falling car sales in Motors of the US, is also cutcontinental Europe. ting output at its two UK Production of the Vauxhall

limited to one model, the Peug-eot 306. output at the plant is Cavalier/Opel Vectra at its Latton plant in Bedfordshire is being reduced to around 1,600 a week from 1,900 a week earlier being stopped this week, while night shift production of the this year. Vauxhall/Opel Astra at Elles-mere Port, Cheshire, is also Around 300 jobs are being cut from the workforce of 5,280.

stopping this week. Vauxhall vehicle output rose The decision to stop produc-tion the Peugeot 405 family car in the UK is a significant setby 15.3 per cent last year to a record 301,857. In the first back for the Ryton plant, seven months this year it has which only resumed production of two car ranges in Janufallen hy 11.1 per cent to ary with the launch of the 161,792 from 181,919 in the same period a year earlier.

Ford, the biggest UK vehicle Peugeot 306. The 405 will be

imported in future from maker, which cut capacity in The Peugeot group is cutting production as part of its overits European plants last year, has also opted for some shorttime working.

Production at its Southamp all reduction in output across its European plants .. in

ton Transit van plant was response to the sharp decline halfed yesterday with the loss in west European new car of two shifts, although normal output will be resumed today. sales this year. New car sales in west Europe

Study may help UK avoid rigid waste rules

inspectorate.

Events this year have shown just how strong those emotions can be. Two weeks ago, ised by environmentalists. A few weeks earlier he

More controversy is likely as the inspectorate nears a decision to anthorise Britain's latest onclear power station, Sizewell B for which consultations started last week.

Given the nature of the job, it is hardly surprising that Dr Slater finds himself amid conflicting pressures, from business, politicians and green

groups.

But he has experienced pollution at close quarters. A coosultant engioeer by back-ground, he bas worked on a number of industrial disasters, including Seveso, Bhopal and Exxon Valdez. He has also seen how environmental regu-

"We don't have the radar gun approach of some of the continental countries. Here people can sit down and talk about the realities rather than being told 'thou shalt'."

is to weigh the cost and benefits of pollution controls. The orimulsion case was fairly clear cut. Tests showed the fuel was no dirtier than coal or fuel oil, so there was no environmental case for banning it:

Less clear, however, was Dr Slater's reason for allowing the stations to burn the fuel for five years without clean-up equipment. He said it was "unreasonable" to ask the genment etraight away, but he will maintain a regular dialogue with the generators to ensure the equipment is ready

time trying to persuade indus-try of the value of environmental regulation. He cites examples of compa-

nies which made cost savings after being forced to tighten up their waste and emissions. One study project in Yorkshire recruited 11 companies, each identified savings by cleaning up operations. One of them, Coca-Cola & Schweppes Beverage, produced annual savings of £1.6m. It is a question of lining up environmental, efficiency and economic objectives towards the same goal. "It's all basically about eliminating waste," he says.

By David Lascelles, Resources Editor

A STUDY OF the costs and benefits of environmental regulation could belp Britain avoid the excessively rigid environmental controls of some continental countries, according to Dr David Slater, the head of the UK pollution

The review should bring "more transparency," he says, to a subject which always triggers strong public emotions.

his inspectorate came under attack for aothorising two power stations to hurn orimulsion, the "filthy fuel" critic-

raised a similar storm when he approved an authorisation for Thorp, the nuclear waste processing plant in Cumbria. though on that occasion ministers decided that more consultatioo was needed.

lation works in the US.

One of Dr Slater's concerns

once the five years are up.

He epends a good deal of

Heathrow rail link agreed

BAA, the UK airports operator, has signed final agree-ments with British Rail to commence work on the £300m express rail link between Pad-dington Station and Heathrow Airport.

1m passengers. Office space falls sharply Consumers repay debt

The amount of available office space in Central London has fallen by 17 per cent from its peak of 34.3m sq ft in mid 1992, according to new figures from DTZ Debenham Thorpe, prop-

erty advisers.
The figures reflect a gradual pick-up in demand, e sharp decline in the amount of property under construction and the impact of the City bomb in April, which had the dual effect of forcing landlords to withdraw damaged offices from the letting market and prompting tenants to relocate to new

Turnover falls The government looks increas-ingly likely to extend Value Added Tax to books and newsin hotel jobs

Annual labour turnover in the hotel and catering industry fell from around 60 per cent in the late 1980's to less than 30 per cent during the recession, according to the Employment Forecasts Update prodoced by the Hotel and Catering Training Company (HCTC).



State-owned Noclear Electric is nearing completion of Sizewell B, its pressurised water onclear power station on the east coast of England. The pollution inspectorate is due to decide shortly whether to authorise operations at the station. Picture; Ashley Ashwood

Scottish Hydro forms link with US group

SCOTTISH Hydro-Electric has formed a joint venture with a subsidiary of Marathon, the US oil company, to sell gas to com-mercial and industrial customers, writes James Buxton.

The joint venture company, Vector Gas, will initially sell gas in Hydro-Electric's electricity license area in the north of Scotland but will later operate in England and Wales.

Hydro-Electric's partner is Marathoo Gas which sells gas from the Brae fields in the North Sea, where Marathon Oil is the operator.

Under current gas trading arrangements companies such as Vector Gas will use British

Gas's pipelines to supply its customers. The joint venture will supply its first customers in Scotland in October. It bopes to supply domestic customers when deregulation of

the gas market allows. Hydro-Electric is moving into the gas market partly to protect its large share of the

market for beating in its fran-chise area. It later hopes to serve corporate customers on a UK-wide basis with gas in the same way that it supplies them with electricity.

Other electricity companies such as ScottishPower and Seaboard have eotered the gas

Workers at **Jetstream** fear big job losses

By James Buxton, Scottish

WORKERS at the Jetstream subsidiary of British Aerospace (BAe) yesterday expressed concern that the aircraft manufac-turer may be considering large redundancies, after it warned employees it was facing sertous difficulties.

Mr Allan MacDonald, managing director of Jetstream based at Prestwick, western Scotland, told the workforce the company would have to realign "our productioo pro-grammes with market demand and reduce significantly our

operating costs".

Jetstream, he said, would be failing in its responsibility to its investors and undermining its long-term vlability if it failed to "take prompt action to stem cash haemorrhaging and minimise production of aircraft for which we have no con-

firmed customers". Mr MacDonald said he would be meeting senior executives to review the business and the options open to it.

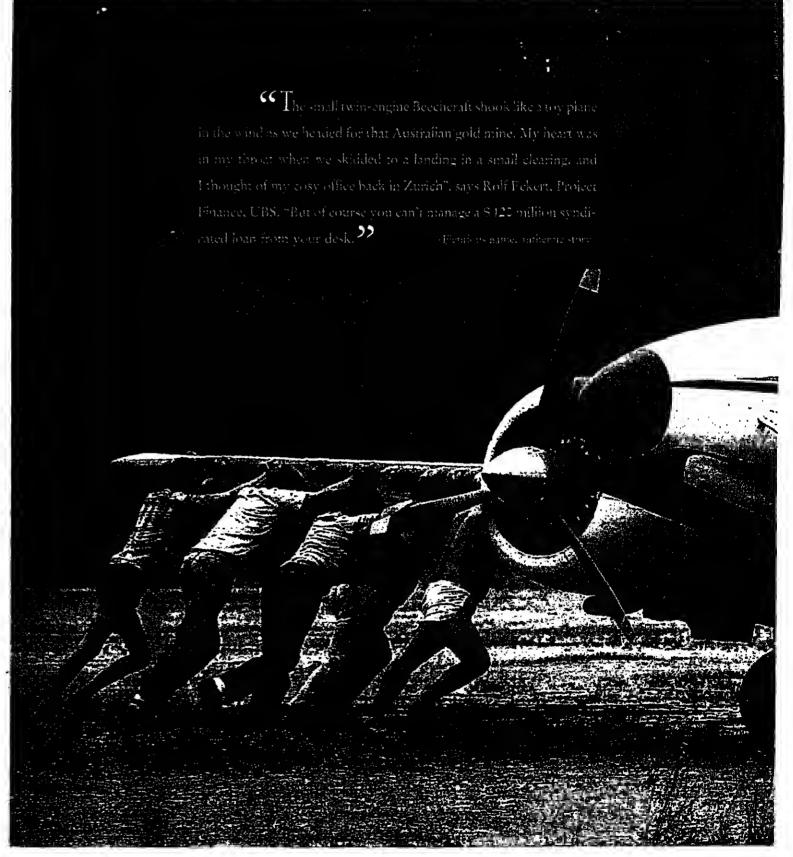
Jetstream manufactures the 19-seat Jetstream 31 and the 29seat Jetstream 41 turbo-prop

Jetstream Aircraft, wbich employs 2,500 at Prestwick, would not give details of cur-

reot orders or production.

Mr MacDonald said between 1990 and 1992 worldwide orders for regional aircraft dropped from 451 to 22 aircraft.

He pointed out that redunmented or had been announced by aircraft manufacturers including Shorts in Belfast. Fokker in the Netherlands, Deutsche Aerospace in Germany and Embraer in Brazil,



Not banking as usual.



NEW YORK, LONDON, PARIS, PRANKFURT, ZURICH. GENEVA, SINGAPORE, HONG KONG, TORYO: LUXEMBOURG, MADRID, MONTE CARLO, MILAN. MOSCOW

Asian businesses in Britain are widening their

existing orders and future growth plans.

Pyca Windows

Principals only please write:

Box B1416, Financial Times, One Southwark Bridge, London SE1 911L

EuroGrant

ARE AVAILABLE FOR A WIDE SELECTION OF PROJECTS EUROGRANT ACTS FOR SMALL AND LARGE COMPANIES AND HAS

GRANTS & SOFT LOANS

Tel: 0254 56557

mount at the Halal Meat Company. By observing the Islamic traditions oo the slaughter of animals (known as halal), the Birmingbam butcher says it has maintained its integrity. with a captive Moslem market, its Asian owners say their profit has risen handsomely.

Nutshell

Single market aids

Small businesses bave done

badly from the creation of the

European single market with, in

the early stages at least, most

benefits going to large compa-nies, according to a survey by

the 3i/Cranfield European Enter-

Fifty four per cent of compa

nies employing fewer than 50 people reported increased com-

petition, while only 33 per cent

bad boosted exports. Among

larger companies (with op to 500

employees) 46 per cent had expe-

rienced more competition, bot

German companies appeared

to be planning to make the most of the single market with just

over half setting up some form of collaborative deal in Europe.

In other countries between 20

*Attitudes to Europe. Cranfield

School of Management, Cranfield.

Bedford, MK43 OAL. Tel. 0234 751122. Free.

The stock market flotation has

returned to favour as a means of

raising funds for growth. Many

recent flotations have involved

companies, many of them man-

agement buy-onts, backed by the

Venture capitalists would

once bave regarded a trade sale

to a larger business as the natu-

ral "exit" route from their

investments. But fresh enthusi-

asm for oew issues on the part

of iostitutional investors bas

meant a flotatioo can result in a

The revised edition of Going

Public, a guide* to a Londoo

stock market listing by mer-chant bankers Samnel Montagu

explains the methods, timetable

and likely cost of such a move.

A glossary explains the myster-

ies of clawbacks, red berrings

From Jeremy Prescott, Samue

Montagu, 10 Lower Thames

Street, London EC3R 6AE, Tel

and the yellow book.

071 260 9000. Free.

better price for the business.

venture capital industry.

A guide to going

public

and 28 per cent had done so.

44 per cent raised exports.

larger companies

The Halal group bas grown rapidly since Hafiz Yaqoob, the founder, passed effective management control to his sons, Zahid and Shahid, five years ago. The brothers have developed the core activity. employed, for the first time, non-Asian managers and launched a range of convenience foods under their own brand name, Mr Halal's

The Yaqoob brothers are among an increasing number of secondgeneration British-educated Asians taking their small to medium-sized family-run businesses out of the street corner and into main street. But unlike their fathers this new generation is bringing to their ventures a greater awareness of the wider business environment. This is exposing a gulf in business values and sowing the seeds of potential clashes over the conflicting demands of commerce and culture. In any event, their impact is likely to be felt in two broad areas:

• Internal organisation. Many Asian-owned businesses were launched as a vehicle for family employment and bave been run around shared family responsibilities. Rapid growth over the past two decades has seldom triggered internal changes necessary to manage the larger venture. The management scrutiny exercised by a second generation is often the first time that these companies have undergone such an examination.

• Easing dependency on the ethnic markets many companies were set up to serve, by pitching products further afield.

As in many small businesses, the first thing a second generation does is to create an organised structure and then decide what to develop or ditch, says James Curran of King-stoo University and the author of a study oo ethnic businesses for the Midland Bank. in Asian-owned companies, be adds, a second-geoeration is likely to be more receptive to the need for change than would be the case in a traditional mainstream family business.

Reorganising their business was the first task confronting the Yaqoobs when their father's illoess forced them into the bot seat. "Most of my 10 years have been spent setting up systems - for finance, sales, sbopfloor work and buying, says Zahid Yaqoob, 31, managing direc-

Similarly, when Imran Ahmad. 34, took over his family bed-and-breakfast in Newcastle upon Tyne, ambitions and their appeal under the influence of a second generation, writes Khozem Merchant

Beyond the corner shop



Ashley Ashwood Targeting the mainstream: Zeenat Harnal of Noon Products

be found a business resembling some be had studied during his MBA at Bradford University.

"The business had plodded along in a baphazard way. A business plan was oever produced. The biggest problem was controlling the books. I started looking at these while on visits from Bradford and was drawn into the business," he

Imran Ahmad and Zahid Yaqoob was dealing with banks. Many first-generation Asians recall with indignation their treat-

IDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE. BEFORE ENTERING BITO COMMITMENT

One early responsibility for both

ment by clearing banks, Mutual accusations of misunderstanding abound. A second geoeration is undoubtedly more sensitive to the banks' point of view. "I was the essential link between the bank and a business which had to expand. What the banks said [on business plans etc) made sense to me, though not to my father," says Imran

Zahid Yaqoob and Imran Ahmad's overhauls, though on a different scale, led to an unpalatable truth that to manage a growing business professionally, managers and

INT. PATENTED MICRO ELECTRONIC CAP, precisely meters, messures Square from bostes giving memory data print out for PSL, inventory control. Would comittee

COMMERCIAL FINANCE/VENTURE CAPITAL , sensible rates, sensible less, angle American ventures Fex Int. 0924 201577

INVESTORS SOUGHT by UK property rester for landing commercial & realdentes

BUSINESSES

WANTED

COMPUTER COMPANIES

WANTED

We are seeking to acquire

Computer Maintenance businesses with turnover up to £5m. We will

consider loss making as well as

hardware sud/or software, in the

UK or Exrope.

Apply in Strictest Confidence to:

Box B1418, Pinaucial Times, One Southwark Bridge, London SE1 9HI

rofitable insincence. Mai is ideally contracted and can be of

dealer for funding commercial & residing commercial & resident & r

skilled staff would have to be employed from outside the family or a dependent ethnic labour force. Traditionally, this option has been

eschewed. Many such businesses

fear losing control and are, in any case, suspicious of outsiders. Yet this could change. "If you have a professional management then it will insist on skilled workers and jobs based on merit," says Robert Blackburn of Kingston University and co-author of the Midland report. "In Asian businesses, this is something that only the second generation can introduce."

Competitive pressures are also likely to erode Asian companies' traditionally homogeneous labour force. Better quality products require more skilled workers. That will force many to the wider labour

Blackburn says: "There are some special pressures on Asian-owned companies. As a result of a fall in immigration and better education among British Asians, they are going to have to offer improved jobs

At London food manufacturer Noon Products, Zeenat Harnal, a director and daughter of the founder, GK Noon, says only by employing professionals can the company meet the standards set by its biggest client - Sainsbury.

We have had to employ food technologists, microbiologists for our laboratory and now quality control experts for our B5750 registration (on quality standards). Our clients welcome this and it reflects our commitment," she says.

Noon Products' foothold in the quality end of the frozen food market illustrates the second area of activity likely to pre-occupy a second generation - easing dependency or even escaping from the narrow consumer base of an ethnic market. More than two-thirds of Noon Products' frozen Indian meals are sold to Sainsbury. Frozen Indian meals are not very popular with Asians. This successful targeting of the mainstream market, says Upkar Pardesi, a small companies special-

ist at the University of Central England in Birmingham, serves as a

The new generation must realise that the only way to grow is by expanding out of the niche market," he says. "A new generation will cer-tainly bring more market focus. But it will only work if it ensures the family business possesses the internal structures to absorb new ideas, products and big orders."
Imran Ahmad achieved "market

focus" by moving his B&B away from the student and where his father had opted for an easy return on a largely self-managing business to the business-client market. He invested about £100,000 in transforming his 12-room B&B into a 27bedroom hotel. "We made a big qualitative move. The only way to develop was to position ourselves in the growing end of the market." For Zahid Yaqoob, expanding out

of the narrow "Islamic" market was vital. "Our business could not have carried on if we just sold meet to Moslems in Britain." He led the move into value-added products such as Halal burgers and sausages The company is also assembling a "multi-million pound" project to open abattoirs in Europe to add to the five it runs in the UK and freland.

These moves into new markets allied with big internal changes can add tension to a mana team that straddles different cul-tures. Imrau Ahmad points to irrits ting management issues such as dealing with builders "who knew there was no one person in clearge and sought to exploit it. This, he says, cost the hotel unnecessary

Though many second-generation Asians command a remarkable degree of responsibility at a young age, there is no doubting that the founder remains in overall charge. Zeenat Harnal, 33, leads 60 mainly female production workers; Zahi Yaqoob recruited and heads a team of "proven meat industry manage ers". Both say they bow to their fathers' word.

So what if differences occur between conservative founders and their dynamic successors? "Internal cultural tensions could affect the market position of a company and ultimately its success," says Ellis Cashmore, of Aston Business School. He cites the example of a large cash and carry business in Birmingham, owned by a Moslem for whom alcohol is prohibited. The owner's son, who was the finance director and also regarded himself as a faithful Moslam, presented a compelling commercial case for selling alcohol, but was overruled by his father.

This is an example of how culture can damage commerce. Marryin these twin imperatives could yet prove a profitable path.

Seeking a new balance

he growing need for small firms to chilaborate in research and development. training and even marketing is often in conflict with their urge to compete. So a recent study on how the Mittelstand in the Baden-Württemberg region is dealing with the dilemma is of potentially wider European interest.

The Mittelstand is the collective name for the thousands of small and medium-sized companies whose remarkable export success was one of the foundations of Germany's post war economic prosperity. But as Philip Cooke, Kevin Morgan and Adam Price of the Department of City & Regional Planning at the University of Wales College of Cardiff point out * a crisis of confidence has hit the whole sector.

Nowhere is it more evident than in Baden-Württemberg, where one of the biggest threats comes from the car industry's increased tendency to source overseas on the one hand and to deepen relationships with a smaller number of domestic suppliers on the other. In machine tools, the fear is that the Mittel-stand is too fragmented to stay threast of new technologies and to meet the threat of more cost-effec-

tive Japanese rivals.

Many companies, however, are sceptical of "horizontal collaboration" as a mesons of easing the financial burden - the Mittelstand's apparent strength, fierce indepen-dence of a dynamic owner-manager, therefore becomes its weakness.

The report examines in detail the state's novel regional immvation strategy, which in contrast with the French dirigists approach tries to establish a new balance between collaboration and competition. It continues to respect the sovereignty of the firm, but with the help of new incentives it encourages companies to recognise the limits of

enfoncements action. Formidable problems remain and the most pessimistic think the region's overdependence on the makine sado industry could make it the Enlingebiet of the 21st cen-

But the authors say it would be foolish to underestimate the capacity for renewal given the "new mood and the region's industrial technical and institutional

*Anadable for \$20 from RIR, PO Box 906, Cardiff CF1 3YN.

... Tim Dickson

BUSINESS OPPORTUNITIES

EXPRESSION OF INTEREST

Expressions of Interest are sought from established and successful Space Selling Agencies, In opportunities now available, for appointment as Authorised Selling Agents for Advertising carried on forms distributed on a regional basis, world-wide, by the Australian Department of Immigration.

ADVERTISING SPACE SELLING

The Department distributes forms to persons seeking information on entry to Australia for tourism, studies, business or permanent settlement, so providing a unique opportunity for direct personal targeting of appropriate travel and commodity related advertising of goods and services to the end user.

Mr Robert McMillan, Managing Director of the McMillan Printing Group, Sydney, Australia, who are contracted by the Australian Department of Immigration for management of this facility, will be available for interviews in London from 21/8/93 to 26/8/93 and from 11/9/93 to 15/9/93.

Your written Expression of Interest, providing a brief profile of your Company, your location and area of operations, existing facilities and details of two commercial referees, should be addressed and forwarded, to be received by

> Mr Robert McMillan. C/o The Department of Immigration, Australian High Commission, Australia House, The Strand, London WC2 4LA.

Appointments for interviews will be arranged by telephone.

A strong asset based £7 million turnover private group of companies engaged in constact electionic manufacturing and mechanical/sheet al/press manufecture and assembly is serking an equity partner.

ELECTRONIC AND ENGINEERING

MANUFACTURING GROUP

The Group has an impressive blue chip customer base with a substantial investment is sought to assist with the extra funding necessary to support

Box No. B1409, Financial Times One Southwark Bridge, London SE1 911L.

Long established profitable Company selling and fitting 250 windows/doors per week invite enquiries from Fabricators with additional capacity. Confidential approach to investigate possible common ground and mutual benefits from product supply and/or association. Genuine enquiry from are and looking to expand our sales operat

OBTAINED MILLIONS OF POUNDS FOR CLIENTS.

FOR YOUR INFORMATION PACK:

* SECRETS REVEALED * HOW TO LEGALLY OBTAIN A SECOND FOREIGN PASSPORT

DISCOVER THE SECRETS OF DUAL NATIONALITY WITH OVER 100 DUNTRIES EXAMINED, ALSO, BECOME A PTHER PETUAL TRAVELLER) AND ESSALT AVOID TAXES, GOVERNMENTS AND HASSLE, DISCOVER THE INSIDER FACTS ABOUT ANDORRAGIBRALTAW MONYLOACAMPONED WITTERS I AND MON CONCAMPIONE/SWITZERLAND NEW CARS! HOW TO BUY TAX FREE INW TO BECOME A SUCCESSFUL LEGAL TAX EXILE

FREE BROXDIURS AND NEWSLETTER SCOPE BOX NO. 3441 42 MURRAY ROAD, WATERLOOVILLE POSSIL UK TELL-M (B 703 592255 FAX: 44 (B) 785 593975 Where that your i_rwyer or Accountant would not DARE will you - over if they knew! LEASE QUOTE UUR BOX NO WHEN REPLYING

Established finance company seeks expansion funding of £1M Either a loan basis or equity participation would be

considered. Reply to: O A Turabull & Co licese, 88/99 Victoria Road, Uderabot, Hampshire GU11 ISS

SWITZERLAND LEADING SOFTWARE COMPANY IN FRENCE PART OF SWITZERLAND SEEKS MERGER

Market Leaser
Established 8 Years
Solid Management Team
Excellent Long term Projections
High Profile
Interesting Options
Brokets welcome, no timewasters
Context CMC in Switzerland,
Tel: +41.21.701.58.35 or Fax: +41.21.781.82.61

COMPANY DOCTOR OUTSTANDING RECORD SEEKS ASSIGNMENT

Company turnrounds Interim exec. tasks Consultancy Management buy outs

FREE SURVEY Tel: 0327 71555

US BUSINESS INTERESTS 24 diversified companies seek strategic mooren vales in private/public Euro Transactions. America's First Макаситем Сотрану Tel: 212 554-4420, Fax: 212 554-4426, ddness: 1285 Sixth Ave., 35th Floor, New York, NY 10019

CHANNEL ISLANDS Offshore Company Formation and Administration, Also Liberta. Panama & BVI etc Total offshore facilities and services.

For details and appointment write Cruy Trust Ltd., Belgrount House. 2-6 Belgroun Rd. St Helier, Jessey, C.L. Tet 0534 78774, Fix 0534 3540 Tit 4192227 COFORM C

FOR SALE

The following new Leyland Daf vehicles, built for African Market, held under general lien are now offered for sale. 1 Levland 16.16 F.A. Truck 8 Leyland 24.16 Super Comets Interested parties should write to:-

B A Orton, Managing Director. Hay Pollock Limited. Just lin Road

Basildon, Essex SSL3 1PU. Tel: 0268 723800. Fax: 0286 724800

SPECIALIST CONTRACTOR FOR MERGER OR ACQUISITION We nedertake Barsling, Slip Lining Sewer Replacement, High Pressure Water Jening, Concrete Cutting, Auto Cod Orawing, Pipe Laying, CCTV Serveys, Utility Tracing, Pressure Grouning.

Carrent Contracts/Work: BR, London Underground, Water Cos, British Gas, BT & LAS etc. Onlayed payment terms Write to Box B1612, Financial Times, One Southwerk Bridge, London SE1 9HL

TROUBLESHOOTER Vast experience in direct marketing, franchising and general business strategy. Sold

own company to quoted PLC. Available for assignments or NXD post. London Home Counties only. Reply Box \$1397, Financial Times,

ENTREPRENEURS REQUIRED Would you like to be part of an EEC Sales Network selling products in 12 Countries? If interested please write with

Box B1414, Financial Trees, One Southwark Bridge, Landon SE1 9HL FOR SALE

M4/M5 corridor. Going concerns. Picase write to Box B1 ffei, Financial Times One Southwark Bridge, Landon SE1 9HL

Three Business Centres

WANTED FOR ACQUISITION OR MERGER UK Sheet Fed Lithographic Printer, mover within £1 - £4 million range

Principals only.

Please write to Ben 1914 L. Frenchis Trock, Our Southwark Skidge, Lundon SEI 981L. TOURIST ATTRACTION ON VICTORS Taddenny, 1,000 birds in 230 gless cases, can be seen on display at "The Winter Gardons", Fleet Walk, Torquey, every day 10,000 milliable Stately

UK & Offshore Company Specialists 1 UK LTD £84.95

MIDDLE EAST

Big opportunities Professional access to Middle East markets Agency and Distribution placing available. Principals only: Fax +49 6026 3719

HARLEY STREET BURNINGS CEPTIC.
Fully sended offices, business audions,
boarfroom, all secretarial services plus free
lespotom and insurings belong for further Japak Marketing Research

YOUR MAKING ADDRESS in London, Pade, Berth, Franklut, Madrid and 70 other top tocations worldwide. Call Regus on 071 872 8800 YOUR OFFICE W LONDON From 700 a day. Accounted Acethornol Acethor Sec. Office Box Tet 071 435 0705 Fee: 071 580 3729

HOTELS & LICENSED PREMISES

CAVE CASTLE GOLF HOTEL NR. HULL HUMERSIDE 29 hadroom commercial hotel with challenging 18 hote course. £190,000 mading profits (average 2 years). P.P. ROBERT BARRY & CO

TEL: (0423) 566362

CONTRACTS & TENDERS



Property Related Professional Services

Croydon Council is embarking on a course of radical change in its design and management of building services that will transform the method of delivery in the future. The Building and Architectural Services Department is restructuring to accommodate proposed legislative changes and is conducting a feasibility assessment on the transfer of the service to the private sector. Such a transfer of the service would INCLUDE the staff currently employed.

Organisations with a proven track record in the construction industry are invited to submit expressions of interest for some or all of the following services:

Architecture • Quantity Surveying • Building Surveying Mechanical & Electrical Services Responsive, Cyclical & Programmed Maintenance • Energy Conservation

To be considered for this unique opportunity to contribute to the future provision of these services in Croydon, please reply in writing to Kevin Herriott, Building and Architectural Services Dept., Taberner House, Park Lane, Croydon Surrey. CR9 IJR.

CLOSING DATE FOR RECEIPT OF APPLICATION 24TH SEPTEMBER 1993



24.3

• 7

revolution is taking place in the undersea telecom-munications cables industry. New techniques for sending traffic through optical fibre are boosting capacity and slashing prices at an extraordinary rate.

A milestone was reached this month with the placing of an order for a transatlantic cable providing 28 times the capacity for roughly the same price as its state of the art counterpart of a decade ago.

The \$300m (£200m) order is for a 6,000km fibre-optic undersea system linking Greenhill, Rhode Island in the US, with Land's End in the UK, to be installed in 1995.

Called Tat-12, it was ordered by a consortium comprising British Telecommunications. France Telecom and AT&T of the US jointly from AT&T's own cable manufacturing arm and STC Submarine Systems, the subsidiary of Northern Telecom which is about to be sold to Alcatel of France. The undersea cable market is dominated by AT&T, STC and Alcatel. Tat 12, for which STC is the

leading supplier, contains two fibrepairs. Each has capacity for 60,000 telecommunications circuits, together sufficient to carry about 600,000 simultaneous telephone calls through a cable little thicker than a

STC's first undersea fibre optic system dates back only seven years, and its first transatlantic system to 1988. The first generation of fihre-optic undersea systems, including a transatlantic system still under construction, uses the regeneration" technique to convey signals across long distances of fibre. This requires elaborate. high-speed electronic "repeaters" to be attached to the undersea cable at regular intervals, which re-form the signal and send it on to the next

repeater.
The breakthrough was the invention of an optical amplifying mechanism that can pass the signal along the fibre without having to regenerate it, so dispensing with the need for high-speed, sea-bed electronics. Amplification processes are at the leading edge of laser and fibre-optics research, making research and development costs a significant part of each new

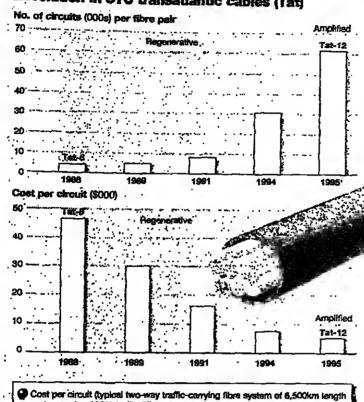
In the new system, amplification is achieved by erhium-coated ampliflers - short lengths of fibre leaded with a small amount of the rare earth erbium, inserted at intervals along the transmission fibre and illuminated by high-power to hoost.

telecommunications signals. Only basic electronic equipment is required. The effect is to create a "lightpipe" whereby the optical signal put in at one end appears at the other, provided the signal has the requisite wavelength properties.

6,000km under the sea

Andrew Adonis on a transatlantic breakthrough for fibre optic cables

Revolution in STC transatlantic cables (Tat)



Tat-12 is not the first STC system to use optical amplification - but It is the first to straddle the Atlantic. STC's first optically-amplified system was "Rioja", an £80m system currently being manufactured for installation

and assuming 100% traffic fill)

between Spain, the UK, Belgium and the Netherlands, Rloja contains the longest optically amplified cable attempted by STC - a 900km section linking Spain and the UK. At 6,000km, Tat-12 will leave Rloja behind, with the aid of 133 undersea amplifiers.

In terms of capacity, the advance is dramatic. Tat-11, the last transatlantic "repeater" cable installed by STC, has a 560Mbit/ second capacity. Conveying 23,000 circuits, it can carry about 115,000 simultaneous telephone calls. Tat-12, a 5 gigahit/second system.

has five times that capacity. "It is truly a revolution in the way we transmit signals under sea, says Phil Black, STC's technical director. "It means we do not have to develop another generation of bigh speed. under-water electronics and gives far greater flexibility and reliability in installation and operation."

Tat-12 is only the start of the revolution. At its plant in Greenwich, south London - where the first successful transatlantic telegraph cable was built in the telegraph cable was built in the t860s - STC is working on a far more sophisticated system able to carry 10m simultaneous telephone calls—enough for the entire population of London to speak at the same time down one cable.

The path to the next plateau is wavelength division multiplexing". WDM enables a number of optical signals, each at a slightly different wavelength, to be sent down the same optical "lightpipe" at the same time, significantly increasing the number of "channels". Since all the dividing up and sorting out of wavelengths takes place in stations at either end of the cable, there would still be no need for high-speed, undersea electronic equipment.

The story of submarine fibre optic cables in the last decade casts a tetling sidelight on the cost of international telecommunications. STC estimates that the cost of providing a telephone circuit by fibre between London and New York has fallen by a factor of 10 over just the last seven years.

According to its projections, the cost is set to fall by a further factor of 10 over the next five years, courtesy of optical amplification. Approximately 90 per cent of all BT's transatlantic calls travel by cable and just 10 per cent by

Since 1986, BT's transatlantic coll charges have fallen by about 40 per cent in real terms. Transatlantic operators are not slow to boasi about their sizeable tariff reductions, but they need to be seen against the background of a dramatic decline in operating and

new infrastructure costs. Greater flexibility and reductions in unit costs do not translate immediately into lower prices. Old equipment has to be serviced and written-off; markets have to be found for new capacity. The whole of Landon is not going to telephone New York at the same time, bowever cheap BT's tariffs.

"What is needed Is more capacity-gobbling uses," says Black. "With the long-haul use of capacity-demanding applications becoming economically possible. opportunities for broadband applications for transferring data, high-definition television and multimedia, are developing rapidly."

It is not, of course, just the likes of BT and AT&T that need the capacity gobblers; without them, suppliers such as STC may soon have invented themselves out of Despite assurances that BSE is waning, there is new concern about the epidemic, writes Clive Cookson

An outbreak of conflicting opinions

he epidemic of bovine spongiform encephalopathy or "mad cow" disease which has killed more than 100,000 animals in the UK - is causing a new wave of public concern. New cases are still running at almost 1,000 a week and last month a second dairy farmer died of Creutzfeld-Jacob Disease, a brain disorder similar

Richard Lacey, a microbiology professor at Leeds University and the leading critic of government policy on BSE, said the deaths this year of two farmers whose herds had suffered from mad com disease could not be put down

He believes that BSE can trigger human brain disease. Our worst predictions are

coming true," he said. "I find it unbelievable that the government and their hand-picked advisers can go on telling the public there is no danger,"

The advisers, led by the government's chief medical officer Kenneth Calman and chief veterinary officer Keith Meldrum. out out a detailed statement to justify their view that last month's death of 65-year-old Duncan Templeman - following that of Peter Warhurst, 61, a year ago - showed "no features that give cause for undue concern".

The official view is that the deaths are an unfortunate coincidence, even though it is statistically unlikely that two dairy farmers should contract a disease as rare as CJD. Robert Will of Edinburgh's Western General Hospital, who has been manitoring CJD in the UK since 1990 on behalf of the health department, calculated that there was only a five per cent probability of even a single case occurring hy chance among dairy

farmers with BSE-affected herds. One argument put forward by the health department is that CJD has such a loog incubation period - typically to to 20 years - that clinical symptoms would not yet have appeared, even if BSE bad triggered any cases of CJD. "Since the illness of the cows lin Templeman's berdi and the

patient occurred within months of each other, the animals and the patient had presumably incubated disease in parallel for some years," the health department said.

*It is most unlikely therefore that there is any direct link between the cases of BSE and the occurrence of disease in the patient."

Another reassuring argument is that both farmers showed clinical features typical of the "sporadic form" of CJD – of unknown cause - that usually occurs in late middle age,

"I find it unbelievable that the government and their

hand-picked advisers can go on telling the public that there is no danger"

The handful of patients known to have developed CJD tbrough infection (from contaminated human growth hormonel showed a different pattern of symptoms.

The second annual report of Will's National CJD Surveillance Unit in Edinburgh, published last mooth, shows what looks at first sight like a disturbing rise in incidence; from 32 UK cases in the year ended April 1991 to 37 in 1991/92 and 46 in 1992/3. But the report says that this is not statistically significant and is probably due to increasing awareness of CJD (some cases were previously attributed to Alzhelmer's or other forms of dementia).

Meanwhile, cattle are succumbing to BSE at a rate of about one per 100 every year. The epidemic continues to defy the ministry of agriculture's predictions that it is about to wane: so far this year there have been 26,695 reported cases, compared with 25,898 to the same

The source of Infection was protein-rich cattle feed contaminated with scraple, a

related brain disease of sheep Although sheep-derived feeds were banned from sale in 1988, farmers apparently continued to use existing stocks for longer than the ministry had expected. The incubation period is also longer than originally expected.

Veterinary experts say that almost all of the 102,000 confirmed BSE cases so far can be attributed to scrapie-contaminated feed. According to their investigations, maternal transmission from cow to calf - which would prolong the epidemic - is very rare or

non existent. Scientists trying to understand the epidemic face an unusual problem: BSE, scrapic and CJD are caused by a bizarre, infectious gent, the prion, which does not follow the normal rules of

microbiology. Recent research shows that the prion is an abnormal form of a protein that is normally present in the brain Ithough its normal function is not yet known]. Unlike viruses and bacteria, prions contain no genetic material of

their own. The prion may arise by a genetic motation (spontaneous or inherited) in the host animal. Or - in the case of BSE - it may arrive from another animal. Once in place in the victim's brain, it catalyses what John Collinge, a prion researcher at St Mary's Hospital Medical School, London called a slow "chemical chain reaction", converting the normal protein into its own abnormal form. The prion molecule is folded In a way that makes it extremely stable and therefore difficult to destroy by conventional sterillsation.

Experiments show that BSE can be transmitted between species, for example from cow to monkey, by injecting or eating large amounts of Infected tissue. But "transmission is dose dependent." Collinge says.

Most Independent experts maintain that no human being dairy farmer or beef eater is likely to be exposed to BSE in sufficient quantities to develop brain disease.

CONTRACTS & TENDERS

SECRETARIAT OF STATE OF URBAN DEVELOPMENT SANITATION COMPANY OF PARANA SANEPAR INVITATION FOR BIDS

INTERNATIONAL BIDDING Nº 059/93 PURCHASE PROCEDURE Nº 699/93

SANEPAR — Seniestion Company of the State of Parana will receive seeled bids from eligible Bidders, from eligible country members of the World Bank (IBRD), from Taiwen and Chine, for the supply of HYDROMETERS, as specified in Annex VI of this international Bidding Documents, destined to

 The source of funds to purchase the goods end/or services resulting this International Bidding will be provided by the Programs Estadual de Desenvolvimento Urbano — PEDU (State Program for Urban Development — Linumented Bidders may obtain turnier informations, up to 5 (five) days before the deadline for the aubmission of the Bidd, at SANEPAR located at Rus Almirante Gonçalves 1385, 80230-060 — Curitiba, State of Pasana, Bresil, Telephones (041) 222 4866 and 224 5141, Telex (041) 7402 and Telefax (041) 232 7323.

4. A complete set of the Bidding Documents may be purchased by any interested Biddier by paying a non refundable fee of CR\$ 5.000,00 filtre thousand cruzeiros resist at the SANEPAR, from the date of the issue of this international Bidding on.

The Bidding Documents shall be received at the address mentioned in the item 3, by presenting the above mentioned fee.

5. All the bids must be submitted in one single envelope, shall be submitted at the SANEPAR up to 09:00 AM of October 4th, 1993, at the adress stated in item 3. This envelope will be operand at the beginning of the session, in the presence of Bidder's representatives who choose to attend.

This international invitation for Bids and the awards resulting therefrom will be governed by the "Guidelines for the Procurement of Goods and Sarvices of the World Benk", Issued by the BRO in May 1985, according to the Loan Agreement Nº 3100-BR, between ISRO and the Government of Parans.

Curraba, August 17th, 1993 al STENIO SALES JACOB President al SANEPAR

COMPANY NOTICES

THE LATIN AMERICA INCOME AND APPRECIATION FUND N.V.

DIVIDEND NOTICE

Consistent with the authorisation granted by the Board of Supervisory Direct on August 12, 1993, notice is hereby given that the Fund's Managing Director has declared a distribution of U.S. S0.50 per Class A Share and an equivalent amount on a yield basis for Class B Shares, payable on September 30, 1993 to common shareholders of record at the close of business on September 23, 1993, In the case of shares held in registered form, or upon presentation of coupon number 5 attached to the common share certificate to the Fund's Administrator (on or after September 30, 1993), in the case of common shares held in bearer form. By order of the Managing Director

> istrator, Managing Director and Location of Principal Office ierson Trust (Curação) N.V. John B. Corsiwareg 6 Willenstad, Curação

> > Investment Manage Scuddet, Stevens & Clark, Inc.

NESSES FOR SALE. AS Appear in the

Financial Times on Tuesdays, Fridays and Saturdays. For further information or 10 advertise in this section please contact Karl Loyaton on 071 873 4780 or Melanic Miles on 071 873 3308 FINANCIAL TIMES

USA

the Jour Administrative Receives A. D. Changer & LS M. Gregor offer for sale the business & assets of INSTRUMENT RENTALS (UK) LTD SLOUGH, BERKSHIRE

BS5750 rated Company working in electronic test & measurement instrumentation. * Portfolio of rental assets earning £400 park) pa

* Large & diverse customer base. * Leasehold premises on Slongh Tracking Estate.

* Experienced & skilled workforce.

GRAINGER & Co. Chartered Accountants Glasgow G3 7J F

BUSINESS FOR SALE

SPECIALIST CIVIL ENGINEERING CONTRACTOR ged in the insertion of undergroun services by NO-DIG methods. Established for 5 years with a client base throughout the UF.

Terrover approx £1.5m Offered for sale as a going concern with management, plant and contracts. Apply to Box 81417, Financial Tracs, One Southwart Parks hwark Bridge, London SE1 9Hi

NAIL MAKING BUSINESS/ EQUIPMENT FOR SALE

Existing order book.

Manufacturing potential - 3 million precess per wook
Piceas reply to Box 21413, Financial Times,
One Southwark Bridge, Landon SE1 991L.

YACHTS & **POWERCRAFT**

Eklerly couple reloctantly offer their

herthed in Gibraltar - 6 berths. bathrooms, at a giveaway price £85,000 or exchange for holiday home here or abroad. Full details Tet: 0S62 883572

AUCTIONS

PUBLIC AUCTION SIST AUGUST . HINNER, HJ, USA

THE DESTRUCTION LEASING CORP. 136 - 40ft REFRIGERATED CONTAINERS

HORMAN LEVY ASSOCIATES UK

* Repair & calibration decisions (NAMAS accredited) carding in excess of £350 (800 pa. * New & used instrument odes, Vo in excess of £1m pa

Contact: I Sout McGreece

Tel: 041-332 8751 Fax: 041-331 2623

FOR SALE

Music hall, Restautant "L'EMPIRE". In the town centre of FORACTI in ile (France), Offers variety act or shows with quality food service. Large toom with pasteromic view with a seating capacity of 350, Cosmopolitus effentife from France, Luxembourg and Germany. Important

Tel: +433/88.01.53.82 (France) Mme Bernhardt

RAISED FLOOR Patented and proven raised floor system manufacturerinstaller with unique features

for new/refurbishment of offices/apartments. Tel: 041 941 1114

FOR SALE SPECIALIST INCINERATOR COMPANY Pre-tax profits circa 400k Freehold site, southern England Principals and retained agents:

Write to Box 81419, Funancial Times, Inc Southward, Bridge, London SEI HIL **GERMAN BANK** FOR SALE

Fully licensed, no liabilities. Box B1420, Financial Times, One Southwark Bridge, London SE1 SHI

EQUIPMENT SUMMER CLEARANCE

OFFICE

Quality executive lcather chairs £150.⁵ plus huge stocks of bankrupt office furniture at givcaway prices.

Tel: 081 743 2100

Fax: 081 749 9500

ROWTON CASTLE HOTEL



acres

Ref. 58/4.2200

facilities for up 10 225 - 45 cover restaurant

- Sei in approximately 17

For further details consect. Paul Davey

CHRISTIE & C2

MAYCAST PRECISION PRODUCTS LTD

eners of this well established stanulacturer of ferrous and non-ferrous 'Lost Wox' investment custings for the nerospace and defence Blue chip enstanter base.
 Ternaver to 30 June 1993 of 43 million
 Orderbook of 62.7 million

Specialised plant and machinery
One machinery. X-ray and heat treatment facilities
Lessenbold premises of 37,900 sq.ft. in Hitchin, Herts
Stuck and work in progress .Approximately 95 employees

For further information and a sales pack please contact.
John R Häll
Joint Administrative Receiver
ADO Binder Hamly a,
Victoria Square, Ventoria Strevt.
St Albans, Heris Al. 1 55 A
Tel: 0727 815903 Fac: 0727 840993

Chartered Accountants Authorized by the Institute of Chartered Actourtance in England and Water to carry on interaction of Parameter

On the instructions of A.R. Marlor FCA and A.J. Sleight FIPA of Geoffrey Marrin and Company Joint Administrative Receivers of Tara Crane Limited.

workshop of 1,100 sq.ft. and portakabin offices 8 owned mobile cranes 12 ton – 35 ton capacity

• Fitted workshop Turnover in the region of 450k

BUSINESSES FOR SALE



- Imposing Country House - Function/conference - 19 on suite letting beds

Offers in excess of £500,000

021 456 1222

IN ADMINISTRATIVE RECEIVERSHIP Administrative Receivers offer for sale the bush

IBDO BINDER HAMLYN

x + % ? = £ + - x ÷ % ? £

Business & Assets of a

Crane Hire Company Operated from leasehold site of c. 0-33 acres with small

Engineering Business

Non-core manufacturer of hydraulic control valves and other engineering products is offered

for sale by UK plc. sales in 1992 of around £6m, over half exported

 40,000 sq ft long leasehold premises in south of England

recently re-equipped factory

 blue chip customers in the construction & agricultural equipment industries

strong position in niche markets For further details contact: Laurence Parrott, Arthur Andersen. 1 Surrey Street, London WC2R 2PS

ARTHUR

Tel: 44-71-438 3719; Fax: 44-71-438 5990

ANDERSEN ARTHUR ANDERSEN & CO.SC

BUSINESS FOR SALE

Profitable wholesale perfood/animal feeds distributor established since 1970 in the South of England and operating from own independent 3 acre freehold storage depot - capable of receiving plainer lorries · own HGV fleet seeks outright sale. Annual T/O £4Y; million with sole proprietor offering transitional services for agreed period. Good potential and ideal opportunity for diversification or allied business using base/storage and efficient distribution facilities. Audited accounts available.

Write Box B1400, Financial Times, One Southwark Bridge, London SE1 9Hl.

CHOCOLATE CONFECTIONERY Profitable manufacturing business for sale due to owner retiring, Good order book from major blue chip customers. Modern plant and procedures reflecting current best practices. Current I/O £2m and growing rapidly. Asking price £2m. Replies from principles only please to: Box B1380, Financial Times, One Southwark Bridge, London SEI 9HL

WHOLESALE DRINKS

DISTRIBUTOR North West England, established 1987. Excellent customer base supplying continental beers, draught beers and soft drinks. Turnover circa £2.2 million p.a. Huge potential for independent Brewer, larger wholesaler or wines and spirits

Please o rie to Bor B1407, Financial Times One Southwark (Vulge, London SE) 1981.

istributor.

B&A MAGAZINE ADVERTISES Tel: 071-262-1164 | Fac: 071-706-3464

BUSINESS FOR SALE

Proven plastic hose clip product, with parent protection in 22 countries Turnover £350k. profitable, and with potential for growth. The company owning this branded product is for sale. Principals or retained agents for fixelessed principals please reply to Box B1418, Financial Times, On

Bridge, London SE (911L. RETIREMENT SALE OOLF COMPLEX Midande Oriving Rango Two nino hole courses, Phone 0480 861627 anytime.



A Portuguese tax on sales of domes-tic and imported chemical puip, used to help finance a national institute for forestry products, has been ruled unlawful hy the Euro-

pean Court of Justice. In the context of a preliminary reference on a point of law from a Lisbon administrative court, the ECJ said the tax was contrary to the Rome Treaty provisions relating to customs duties and internal

The Court said the relevant Rome Treaty provisions were not cumulative. Thus one charge could not be found to be both a customs duty (or a measure of equivalent effect) and an internal tax for Rome Treaty purposes.

in general, the customs duties provisions were relevant to distinctly applicable measures where, for example, taxes were only imposed on imported products - whereas the internal taxation provisions were relevant to national measures affecting both domestic and imported products.

However, a tax that was distinctly applicable could fall within the customs duties provisions of the Rome Treaty when the revenue from that tax benefited exclusively domestic products which compensated in full the tax paid for the national products.

Where the revenue from the tax only partially compensated the national products, it would be dealt with under the Rome Treaty provisions on internal taxation.

The Court also found that such a tax could be held to constitute an unlawful state aid, but only after the correct procedures had been undertaken by the commission under Rome Treaty provisions. The tax did not, however, fall within the scope of the provisions of the EC treaty relating to the free movement of goods.

C-266/91: Celulose Beira Industrial (Celbi) SA o Fazenda Publica ECJ 6CH. August 2 1993

Member states' obligations under agreements with third countries The European Court has ruled that national judges should apply Community law on equal treatment between men and women by disapplying any contrary national

rankings in the survey by Euro-money Research. Linklaters & Paines was second, Slaughter and May third, De Brauw Blackstone Westhroek, the Dutch firm, fourth, application of contrary national provisions was necessary to fulfil obligations arising from an agreeand Freshfields fifth. Respondents to the survey also

and May.

by Lovell White Durrant, Clifford Chance, Freshfields, and Slaughter

There were 185 respondents to the

survey, with offices across 20 Euro-

pean countries. The majority said

their in-house legal departments, mainly to deal with increased vol-

umes of work rather than to cut

Corporate finance and joint ven-

tures were seen as the most impor-

tant areas of in-house legal activity,

after core company law and con-tract work. Banking law, licensing, environmental law and tax were

The survey shows there is

increasing use of international law firms. Almost half of the respon-

dents gave only two-fifths of their

work or less to law firms domiciled

in the country where their head

More than 43 per cent did three-quarters of their legal work

in-bouse, and respondents expected

that pattern to remain the same

over the next two years. Some 80

per cent of respondents did at least half of their general company law

The survey confirms the shift in

the metbod of charging for legal

services, and the increased interest

Over 40 per cent of respondents

still paid for more than four-fifths of

their legal work on the basis of an

hourly charging rate, with a further

17 per cent stating that between 61

per cent and 80 per cent of their

However, 36 per cent of respon-

dents now required law firms to

provide alternative hilling methods.

Of these companies, 35 per cent had

used volume discounts, 30 per cent

had received discounts from the

quoted hourly rate, 29 per cent had

paid multi-stage fees - where the

price increases as different stages of

work was paid for on that basis.

in alternative billing methods.

office was based.

work in-bouse.

seen as areas of growth activity.

costs on outside law firms.

hey were increasing the size of

ment with a third country that predated the Rome Treaty. found the UK the most important The case concerned the employ jurisdiction outside their own country of head office, followed by Germent of women for night work in many and France. That was a charcuterie factory. French law prohibits the employment of unlikely to change over the next two years, but they expected the importance of Spain, Italy, Ireland, women for night work. The French law was adopted in pursuance of an International Labour Austria, Poland, the former Soviet Organisation convention. The director of the factory was prosecuted for breach of the law and Union and Sweden to increase. in the UK commercial law field, Linklaters was ranked top, followed

the case was referred to the ECJ. The Conrt ruled the relevant provisions of the EC equal treat ment directive obliged the national judge to apply the rules fully by disapplying any contrary national measure.

But rights and obligations arising from agreements between member states and third countries concluded before the Rome Treaty came into force were not affected by the treaty.

However, to the extent that the agreements are not compatible with the treaty, the member states concerned are obliged to take appropriate steps to eliminate the relevant incompatibilities.

To determine whether a Community principle could be held in check by an earlier international agreement it was necessary first to determine whether the member state still had to fulfil its obligations under the agreement to the third countries concerned.

if the French prohibition on night working had been repealed hy later agreements, the Rome Treaty provisions on the non-ef-fect of the treaty on agreements between member states and third countries would not apply. However, it was for a national judge to determine that question.

C.15S/91: Ministère Public et

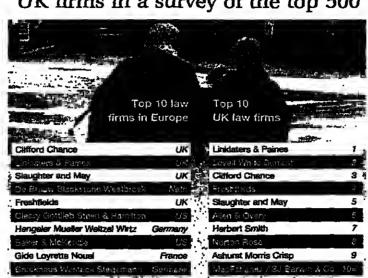
Direction du Travail et de l'Emploi v Levy, ECJ FC, August 2 1993

The August 3 report of the advo cate general's opinion in this appeal may have falsely given the impression that the Court of First Instance's decision had been overturned. The opinion is only indicative and is not binding on the Court which will deliver its judg-

ment later in the year.
BRICK COURT CHAMBERS BRUSSELS

iifford Chance, the UK's At the heart largest law firm, has emerged as the leading provider of commercial legal services in Europe, according to a survey of Europe's top 500 comof Europe UK firms took four of the top five

Robert Rice on the dominance of UK firms in a survey of the top 500



a transaction are reached - and 21 received a total remuneration packper cent had used fixed fees for a

More than 60 per cent of respon-dents had increased their expenditure on legal services In the last two

The survey found the level of fees charged by law firms was not as high as some recent surveys had suggested. A survey by a sister publication, the Interna-

tional Financial Law Review, last year found UK law firms to be the most expensive in the world, charging an average of \$585 an hour for legal advice from a senior part-ner. After the UK, Germany had the

most expensive law firms, with top commercial lawyers charging \$510 an bour, followed by Switzerland (\$445) and Austria (\$385).

But the Euromoney Research sur-vey found the highest charge paid by a respondent for international legal work was \$352 an hour and the lowest \$150. The average hourly charge for international work was \$241. For domestic work the top rate was \$320 an hour and the lowest \$161, with an average of \$195. The most highly paid in house followed by domestic capability, lawyer among the respondents understanding of the markets in

domestically, and an average of 23 approaches internationally. Only 5.4

per cent of respondents had received offers by law firms of free work for a trial period, In spite of the need to cut costs on legal services during the recession, cost was rated only seventh in order of priorities when choosing a law firm. Companies rated technical ability the most important criterion,

age of \$420,000 a year. The average

in house lawyers was \$147,721, com-prising \$106,064 salary, benefits of

\$17,136 and bonus of \$24,521. Junior

in-house lawyers had an average

salary of \$45,071, benefits of \$6,089

and seminars on specialist topics

received an average of 17 marketing

approaches a year from law firms

Sponsoring or holding lectures

was rated by respon-

dents as the best

method for law

firms to market

their services, fol-

ing of other areas of

legal practice, and

client-oriented press,

Most respondents

and \$3,208 bonus.

in selecting a law lowed by proprietary

firm was another research, cross-sell-

recommendation expert articles In the

The most

important factor

company's

nnual remuneration for senior

Although much has been made of the international expansion of law firms in recent years, most respon-dents did not consider international presence as one of the most signifi-

cant factors in choosing a law firm.
In selecting a firm for the first time, a recommendation by another company or someone whose opinions carried weight was regarded as the most important factor. Compa-nies also regarded a strong general

reputation as important. Only 19.6 per cent of respondents had held "beauty parades" (where they myited a number of firms to make presentations) when choosing a law firm. Most respondents ca doubt on the value of such methods

ust over 20 per cent of the respondents are headquartered in the UK, followed by just over 10 per cent in Germany and 10 per cent in France. This could partly explain why UK firms were reted much more highly than their continental counterparts.

But there seems little doubt that London remains Europe's pre-emi-neot legal centre, and that UK firms continue to dominate the European legal scene, in spite of the challenge from large US firms, some of which already feature among Europe's top firms. Of the top 50 European firms overall, 23 are based in the UK or Ireland

tional accountants into legal services is also reflected by the survey. In Spain, for example, five of the top 10 providers of legal services

Although the survey suggests that size and international spread do not matter, two firms in particular stand out as having benefited both from being bigger and having more overseas offices than other

Clifford Chance, arguably the second largest law firm in the world, not only came top overall, but was rated in the top 10 law firms in Poland, France, the Netherlands and the UK.

Baker & McKenzie the largest law firm in the world was ranked in the top 10 in no fewer than eight European countries - Belgium, CIS Hungary, Germany, Italy, the Netherlands, Sweden and Switzer-land – as well as finishing just outside the top 10 in the UK and France,

Size is not everything, but when it comes to providing legal services in Europe, clearly it helps.

Corporates on Lawyers in Europe Survey 1993, from Euromoney Research, Euromoney Publications plc, Nestor House, Playhouse Yard, London EC4V 5EX, \$975

which firms operated and of the | LEGAL BRIEFS



Appeal Court rules on pension funds case

refused to grant a stay on orders made by Mr Justice
Vinelott in the Melton Medes pension funds case at the end of July removing the existing trustees and appointing Mr Neil Cooper and Mr Ipe Jacob, partners in accountants Robson Rhodes, as judicial trustees of the funds.

This is the first time that judicial trustees have been appointed before the substantive case has been heard and underlines the distinction now being drawn by the courts between conventional trusts, where such an order would be impossible, and pension funds. The Appeal Court, however,

granted the defendants a further stay on a pre-emptive costs order made by Mr Justice Vinelott giving the pension fund members the right to use pension fund monies to finance their action for breach of trust against the former trustecs. The former trustees, Mr Nathn Ram Puri, Melton Medes chairman, and Mr James Philpotts, chief executive, have 28 days to appeal against the pre-emptive costs nrder.

It's no joke

nti-lawyer jokes in the US - such as: "What do you have when a lawyer is buried up to his neck in sand?" "Not enough sand" - have reached such proportions that the American Bar Association is to spend \$750,000 on trying to boost the public image of lawyers.

At its annual conference in New York last week, the ABA revealed the results of a survey which show public perception of US lawyers at an all-time low. Only 8 per cent of Americans now have "great confidence" in lawyers, compared with 12.5 per cent two years ago and 24 per cent in 1973. Meanwhile the president of the California Har Association recently proposed that jokes about lawyers should be made a hate crime.

> Insurance moves David Matcham has been

director of the INSTITUTE OF

LONDON UNDERWRITERS.

12.7

 $\mathcal{F}_{n,T} \subset \mathcal{F}$

. . . .

 $\gamma_i : \mathcal{A} \to \mathcal{A}_i$

appointed administration

Colin Nugent has been

promoted to secretary of

LEGAL NOTICES

UNITED STATES BANKRUFTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re
TOWERS FINANCIAL CORPORATION,
TOWERS HEALTHCARE RECEIVABLES FUNDING CORPORATION,
TOWERS HEALTHCARE RECEIVABLES FUNDING CORPORATION II,
TOWERS HEALTHCARE RECEIVABLES FUNDING CORPORATION II,
TOWERS HEALTHCARE RECEIVABLES FUNDING CORPORATION IV,
TOWERS HEALTHCARE RECEIVABLES FUNDING CORPORATION IV,
TOWERS LEASING CORPORATION,
TOWERS COLLECTION SERVICE, INC.,
TOWERS COLLECTION SERVICE, INC.,
TOWERS COLLECTION SERVICE, INC.,
TOWERS OF CORPORATION,
TOWERS DIVERSIFIED CORPORATION,
TOWERS ORGANIZATION, INC., and
THE FUNDING CORPORATION,
TOWERS ORGANIZATION, INC., and
THE FUNDING CORPORATION. : Chapter 11 : Case No. : 93-B-41558 : IPBA)

NOTICE OF LAST DATE FOR THE FILING OR PROOFS OF INTEREST

TO: CREDITORS AND FOURTY HOLDERS AND TO ANY PERSON, ENTITY OR FOVERMENTAL UNIT THAT ASSERTS A CLAIM AGAINST OR INTEREST INTER ABOVE-CAPTIONED DEBTORS.

PLEASE TAKE NOTICE, that the United States Bankrupey Court for the Southern District of New York has entered an order detail August 11, 1993 title "Last Date Order", derecting that all claims which across proof to March 25, 1993 against Towers Healthcare Receivables Funding Corporation. Towers Healthcare Receivables Funding Corporation III, Towers Healthcare Receivables Funding Corporation. Receivables Funding Corporation, The American Corporation, Foundation III, Towers Healthcare Receivables Funding Corporation, 1993 against Towers Receivables Funding Corporation, Inc., prior to May 20, 1993 against Towers Leasting Corporation, Invers Dreate Corporation, Invers Dreate Corporation II, Towers Thankel Corporation, Invers Dreate Corporation III of the Towers Financial Corporation of Proof of Caption of the Corporation of the Corporation of the Corporation of the Corporation III, Towers Principle of the Last Date Order, must be liked with the Buskruptcy Court, with all claims unbimited on the Corporation of Proof of Caption III, III of the Corporation of the Corp

SHALL BEET DESCRIPTIONS OF A PLAN OF PARTICIPATING IN ANY DISTRIBUTION OF THE CAME BY THIS COLDE.

SHALL BEET DESCRIPTION OF PARTICIPATING IN ANY DISTRIBUTION OF THE TERMS OF A PLAN OF THE CLAIMS OF THE TERMS OF A PLAN OF THE TERMS OF THE TERMS OF A PLAN OF THE TERMS OF THE TERMS OF A PLAN OF THE TERMS O

E. so the Last Date Order apply to all claims of whatever character against and all were character meach Debuy and any other Towers-Financial Corporation related early and any other towers of the Corporation related early and the Corporation related early and the Corporation of the Corporation of

APPOINTMENTS ADVERTISING

appears every Wednesday & Thursday & Friday (International edition only) For further information please call: Tricia Stroog on 071-873 3199 Andrew Skarzynski nn 071-873 3607 Philip Wrigley on 071-873 3351 In Ann Gredeli New York 212 752 4500

IN KUSSIA?

Save time, effort and money at the start

All foreign companies wishing to conduct business in Russia need to register there. In Moscow, registration is handled by the Moscow Registration Chamber. Fortunately, this process can be relatively quick and easy, thanks to Financial Izvestia which is now offering the Moscow Registration Chamber's own Guide to Registering Companies in Moscow. Written in English and in collaboration with the international law firm, Salans Hertzfeld & Heilbronn, this invaluable Guide

- Enables you to select the most suitable legal structure for an enterprise
- Supplies checklists so you avoid common mistakes when registering
- Provides sample registration forms and letters
- to obtain the relevant authorisations Lists addresses and contact details of key

Much of this information is simply unavailable elsewhere and will be of real practical everyday use to anyone intending to do business in Russia, as well as legal, financial, accounting and other

is available exclusively from Financial Izvestia to order your copy, see below.

REGISTERING COMPANIES IN MOSCOW Please return to Imail order only!: FT Customer Services, PO Box 6 Camborne TR14 9EQ, UK Sales amouring 441/81/289 711928 Tel: +44 (0) 289 612493 Fax: +44 (0) 209 612811

	Marketing enquisies +44 (9) 7)	814 9	770	5461
NAME		ME		
COMPANY				
ADDRESS		_		
POSTCOOR	COUN	TRY		
Office Use Only	Tide	On	UK Price	Oversca Price
RCM93	Registering Companies in Moscow ISBN 1853340693	Π	530)	£86/US\$138
lease act as req leactose drawn or	my cheque to the value of £USS a UK bank and made payable to FT	Busia		
\Box		T	TT	111

DOING BUSINESS

- agencies in Moscow

The Guide to Registering Companies in Moscow

FINANCIAL IZVESTIA

Financial Izvestia is a weekly husiness newspaper. produced by the Financial Times in partnership with Izvestia, Russia's leading quality daily. Published for Fluences) Leveste by FT Business Enterprises Ltd. Registered Otfice: Number One Southwark Bridge London SEI 9HL. Registered in England No. 930896

NAME		ME		
COMPANY				
ADDRESS		_		
POSTCOOR	COUN	TRY		
Office Use Only	Tide	00	UK Price	Oversea Price
RCM93	Registering Companies in Moscow ISBN 1853340693	\Box	530)	£86/US\$138
ease Act as req lenclose drawa or	mbrd. my cheque to the value of £7555 t a UK benk and made payable to FT	Busia		rinclades p & p ation.
l enclose current	mbrd. my cheque to the value of LUSS La UK benk and made payable to FT	Busia	nes latora	ation.
l enclose current	natured. may cheque to the value of £ USS	Busia	nes latora	ation.

PEOPLE

Irish Life loses Edmondson to JRIA

John Edmondson, the general manager for development at Irish Life, Ireland's largest life assurance, pensions and investment group, has been appointed as finance director to J. Rothschild International

Assurance (JRIA) in Dublin. JRIA was set up in Dublin's to David Kingston the group International Financial Sermanaging director. In 1990, vices Centre in January this year to market life assurance products into Europe on behalf of banks and financial institu-

speaks finent Russian and has worked with Irish Life for 21 years, working initially in the pensions area of its business and moving up to become the executive in charge of developing its European operations at the end of the 1980s, reporting Irish Life acquired a majority stake in David, a Norwegian life assurance and pensions company which sells individ-ual pensions products through

planning to introduce unit-linked products to the Norwegian market in due course. Also under Edmondson's direction, Irish Life set up a new insurance operation Xaar, in France in 1992, primarily writing motor and general insurance policies, but is adding on individual life prod-

Edmondson will take up his new appointment next month, and will have responsibility for the financial and actuarial The 44-year-old Edmondson savings banks in Norway. It is aspects of JRIA's activities.

Harris: support for Terminal Five



Brian Harris, who stepped down from the chairmanship of international property con-sultants Richard Ellis in May, is to become the first chairman of the Heathrow Airport Support Group, set up by the Lon-don Chamber of Commerce and Industry and the Genevabased Air Transport Action Group to support the creation of a fifth terminal at the world's largest international airport. A public enquiry is scheduled for next year, and Harris expects the group to be

someone unconnected with airlines or husinesses associated with the airport. He is currently serving the second of two years as president of the London Chamber of Commerce. A graduate of London Uni-

versity, Harris went straight to Richard Ellis. He became chairman in 1984, and still remains a full-time partner. He is also on the board of the London Firat intitiative inspired by Sir Allen Sheppard.

Signs of succession

Meanwhile, Brian Harris's successor as president of the London Chamber next year is Brian Pearce who, at 62, is gradually lightening his com-mitments at family firm Pearce Signs. Pearce père stays on as exec-

utive group chairman, but his active for at least five years. 34-year-old son Nicholas, great great great great grandson of Samuel Pearce, who founded Harris, 61, who lives under the Gatwick flightpath and hence claims to know "a little" the company in 1791, moves about aircraft noise, says it from marketing director into

was thought sensible that the newly created position of job should be performed by deputy chairman. A chartered accountant who has been at the family firm for

the past eight years, Nicholas Pearce says his promotion is "a public statement to the doubt-ers and interested parties that the line of succession is confirmed". He is likely to take over as chairman in about three years' time. At the same time, Michael

Short, who started at the company as Brian Pearce's PA; moves up from group manag-ing director to chief executive, another new position. "It is a recognition of the role he has been performing for the past 18 months anyway," says the sev-enth generation Pearce.

Pearce has a brother and sis-ter, neither of whom is in the business which is the UK's biggest signmaker with annual sales running at £30m.

He also has two sons, aged four and one. "It is a little early to foist anything on them. If they want to be a doctor and a fireman, good luck to them," he says. "I'm very prac-tical about this. Every new generation into the company is a bonus."

ROYAL LIVER ASSURANCE. ■ Leonard Campbell, deputy chairman of the Institute of London Underwriters, and John Chandris, chairman of Chandris (England) and Celebrity Cruises, have been elected to the board of . LLOYD'S REGISTER and Pani Rawson, financial controller, elected to the general committee and appointed financial director. Neil Forster and Tony Nunn have retired from the board but remain on the general committee. Tony Sanders has been appointed director of Lloyd's Register's industrial division; Miles Seaman has resigned. Sanders is succeeded as director of the offshore division by his former deputy. Clive Bainbridge.

John Hoare, non-marine manager, has been appointed a director of MACRY WILLIAMS Insurance Services. ■ Jonathan Coote has been promoted to deputy md nf SUN ALLIANCE. Mac Eddey (below), formerly

CORROON London and Financial Planning.

a director of C.E. Heath

Financial Services, has been

appointed a director of WILLIS



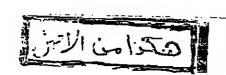
FINANCIAL TIM

Footsie breaks through 3,000 barrier

From your local newsagent

For expert investment advice







Anne Cresacre by Hans Holbein (1497-1543)

Kung

labour

The Edinburgh Festival

Saints and sinners

he visual arts have always lived on the margin of the Edinhurgh Festival. There have been memorable exhibitions at festival time over the years. hut successive directors have seldom put much effort, let alone money, into their preparation and promotion, taking the view that any curator worth his salt would fill his gallery with something special to tempt the visi-

This year, however, all that has changed. The Festival's new director. Mr Brian McMaster, would clearly have none of it and, for the first time has banished the Scottish National Galleries and Museums, and pretty well everyone else for that matter, to the outer darkness so far as the Festival is concerned, where I hear there has been much wailing and gnashing of teeth. A solltary serious exhibition makes It into the official festival bro-chure - "The Waking Dream" at the City Art Gallery, a splendid show, it must be said, of a prime selection of historic photographs in the Gilman Paper Company's collection, hrought over by the Metropolitan Museum of New York. But this one exception, however splendid, serves only to make the broader omission the more

Together the galleries in Edinburgh this year hold as strong a hand as for any recent festival. It is all very well for the oew director to turn his back on all things visual, but the Festival's literature goes round the world, and who is to know how many potential punters might just have been persuaded to make the trip by the know-ledge that the Queen's Holheins (at the Scottish National Gallery), two centuries' worth of Scottish drawings and watercolours (et the Royal Scottish Academy), and an important show (at the Scottish National Gallery of Modern Art) of early Russian avant-garde painting from Russian museums, and so much else besides, was there in Edinburgh to be enjoyed as well. Whether or not Mr McMaster has cloth ears I leave to my musiccritic colleagues to judge, but that be should so arbitrarily visit upon his public the consequences of his having

cloth eyes I do feel is hardly clever. The Holbein exhibition alone is a major event, major enough to be the centre-piece of the entire Festival. It is very small, nothing more than 29 drawings and five miniature paintings that barely fill the smallest of the Gallery's showing spaces, but what it lacks in size is more than made up in its visual impact. There are some 80 drawings in the royal collection, of which these are the principal and most famous examples and, in their strange and peculiar way, they are truly sbocking things.

Their capacity to shock is nothing to do with content or subject-matter. Here are simply Tudor lords, ladies or gentlemen as may be, registered in a

William Packer reviews the Holbeins at the Scottish National Gallery

consistent half-length format that celehrates directly oeither their opulence oor power, though all are evidently comfortable. Rather they are presented with a most disarming and intimate naturalism, at it is precisely this quality of naturalism that makes them so shocking. It is a shock of recognition still potent across the centuries, a frisson of shared experience and common humanity. There these people are, young or old, beautiful or ugly, as fresh oo the page as the day Holhein sat down to draw them, his friends and acquaintances, io such conversatiooal ease. And with this naturalism, too, we catch perhaps that first shift of sensibility, which marks the cusp between the medieval and the modern. Perhaps it is that which is so shocking.

Holbein made two extended visits to Eogland, the first in 1526 as a young artist in his late twenties, when be came from his home at Basle to work very mucb under the wing of the King's new Lord Chancellor, in which office he had succeeded the disgraced Cardinal Wolsey, Sir Thomas More and his family. He went home again in 1528, returning to Loodon in 1532 when he began to work rather more

in the orbit of the Court itself. This second visit, behind which we sense rather more the looming presence of the King, saw not only the death of More, but the rise and fall of many if his new sitters, these beads, amhitious and wistful by turns, that we know all too well were so soon to roll. And it is by no means fanciful to detect, between the two groups into which the drawings naturally fall, a marked if subtle difference of mood and feeling, it is not so much that the intimacy is any the less, hut is there is even so an emotional distance in the late works that was not there before. At ease he might be with the young Earl of Surrey or Sir Thomas Wyatt, and eveo friends, but yet the engagement is something more of a professional objectivity. With More and his family we cannot but feel that the artist felt himself entirely at home, and in such delicate images as those of More's ward, the youthful Anne Cresacre, or of Cicely Heron, his daughter, we have drawings of an immediacy and tenderoess as any in

the eotire canoo of western art. Technically the drawings are no less astonishing, worked as they are with an extraordioary economy of line and a quality of modelliog through the form that leaves as much described by infereoce as actual statemeot. Many of the drawings of the later period are heavily reinforced in the outline in black ink. This was long thought to be an effort at restoratioo hy a later, heavier band, and the questioo is still controversial. But these are the working studies of a portrait painter, and it does seem that Holbein shifted from his earlier pinprick method of transfer to one of actual tracing over a prepared ground. The key lies perhaps in the quality still evident for the most part in that tracing hand, the line still lively and effective in its inflection. Holbein is still there.

Holbein and the Court of Henry VIII; drawings and miniatures from the Royal Library at Windsor; The National Gallery of Scotland, The Mound, Edinburgh, until September 26: sponsored by Capital House

Opening concert sets the theme

orchestration.

he opeoing coocert at Edinborgh sets the festival theme. A featured composer bas alweys tended to be part of the music programme, but as the number of festivals proliferates, it is increasingly important for artistic directors to make sure that their festival looks different from the oth-

In his first year as Festival Director, Brian McMaster made 1992 the year of Tcbaikovsky, canoily anticipating his centenary before other festivals could get io. This year he has avoided all three of the big anniversary composers (Grieg, Tchaikovsky, Rakhmanioov), which has turned oot to be unnecessarily caotious, as oobody else is paying them much serious atteotio either. In their place we have Schnbert and Janáček.

The festivel programme describes the two composers as a "complementary and con-trastiog coopling". This is aoother way of saying they have nothing in common. One was ceotral to the Austro-Germao tradition; the other wholly ootside it. One was a composer of yonth; the other nearly 50 wheo his first major work was performed. Janéček is remembered primarily for his operas, a genre in which Schnbert never enjoyed mnch success. At least the festival audience will have varied fare

If I had been planning the festival, I would have opened with Jsoacek's Sinfonietta, which hursts into life with a hlazing fanfare of massed trumpets. McMaster preferred the saite derived by Václev Talich from the opera The Cunning Little Vixen, a misleading start as the music sounds more like Strauss in Tallch's beavily romantic re-

The welcome novelty of the evening was a rare cantata by Janáček called Amorus. Ontcast because the local community bas turned against his mother, a young man is consigned to a monastery, where be lives a miserable life until he dies ooe day on his moth-er's grave, after wetching a pair of young lovers. All the Janáček tbemes that were to hecome familiar are bere: social prejudice, death as a release from snfferiog, the renewal of life. But the music is strangely stagnant, except wheo it hits npon e perky lit-tle theme for - of all things the poor man's funeral march. Stefan Margita sang the teoor role of Amarus without excessive morbidity.

To eod: not Janáček's Glagolitic Mass, as might have been expected, but Schobert's lyrical Mass lo A flat – fairly unfamilier mosic again. The Edinburgh Festival Chorus claims the openiog coocert by right and sang with all its usual fervour, though smaller professional choroses these days can bring to music of this period e sharper focus and greater exactitode of pitch. Walter Weller conducted the Royal Scottish National Orchestra and e good quartet of sololsts, led by Yvonne Kenny, with the mellifluous trio of Fiona Janes, John Mark Ainsley and Andreas Schmidt in support.

in retrospect, there is one feature that these two composers heve in commoo; hotb wrote ioteresting pieces of music that deserve a wider bearing. The prospect of speoding the three weeks of the festival in their company raises one's spirits.

Richard Fairman

The Brecon jazz festival jumps with talent into the early hours

he giorious contrasts and incongruities of the Brecon Jazz Festival set it apart from the more urbane, metropolitan happenings of summer. Trad mayhem, swing and belop permeate the comfortably fraying fabric of the Welsh market town, running together happily. While a samba army ratties the sash windows of The Bulwark, a street-corner barber's shop quartet holds its own against the spiky young fusionists in the museum car park bandstand. In the main square, two apprehensive Chet Baker soundalikes are scattered from their husking pitch by a weighty New Orleans marching hand advancing noisily from the top of the town.

Hastily regrouping before their audience is carried along in the band's wake, they turn to find a second, bigger band bearing down on them, at full steam, from the other end of town.

This year's contrasts were carried into the concert hall programming: at midnight on Friday, pianist Hank Jones' Trio could be found dispensing sweet standards in the tranquil setting of Christ College's school hall, while Julian Joseph and his quartet drowned out the late-night boozers in the Guildhall with their energetic British neo-bop. Earlier, in the cavernous market hall, which smelled less of sheep this 10th anniversary year, Lionel Hampton swung his Golden Men of Jazz with the kind of vim you would not reasonably expect of any 85-year-old other than Hamp (except maybe Stephane Grappelli, who climbed on to the same stand on Sunday).

Helped in his directing hy trombonist Al Grey, splendid in pith helmet and wing

collar, Golden Men, such as trumpeters Harry "Sweets" Edison and a languid Clark Terry were pushed along by the vamping piano of Junior Mance, Arvell Shaw on bass fiddle, and the singing drummer, Grady Tate.

If Hamp looks frail negotiating the stairs to the stand, he is rejuvenated when reunited with the vibes. More than that, he is difficult to dislodge once the swinging starts. "We'll be back," he said as Grey tried to prise his sticks from him for the interval, "we gonna feed the sheep." As Hampton was reluctantly leaving the

Garry Booth enjoys the Golden Men and much more in the Welsh hills

stand, a sprint across town was needed to catch Hank Jones meshing neatly with drummer Idris Muhammad and bassist Heyn van der Geyn. Romantic hut fleet pianist, moving from Weill to Kern via Joe Henderson, the equilateral sound of the trio is both tight and soothing.

McCoy Tyner, in a rare solo performance, later filled the same space with torrential originals and supercharged standards. Gathering up fistfuls of notes with the right and throwing down clumps of chords with the left, Tyner hurns with ideas: even wheo the musical firework is not exploding, the shapes and hues in each hiatus are hypnotic.

Trumpet players at either end of the gravitas spectrum were well represented.

Australian multi-instrumentalist, James Morrison, comes over like a ribald Muppet but plays the horn like Gabriel. His self-de-precating wit "we don't do requests...unless we're asked" - and stinting mickey-taking of hrother John. the drummer, helie an indecent mastery of trumpet, flugel, trombone and euphonium. "Things Aint What They Used To Be" featured Morrison duetting by himself, trombone multiphonics in one hand and searing trumpet in the other. If it were not for the brother mugging furiously behind, It

Trumpet virtuoso, Wynton Marsalis, is sometimes criticised for being too good at too much. The control and purity of tone required for the concerto have no place in jazz, say the unconvarted. Jazz favours a flawed beauty, according to conventional wisdom, and although Marsalis is steeped in the New Orleans tradition, he has insufficient demons to progress the genre, they say. But with these six young men around him, he convinces me: Wailing through a marching hlues, alongside the caustic clarinet of Walter Blanding, swaying in a fune real dirge with Wycliffe "Pine Cone" Gordon on plunger-muted trombone, or zipping through a bebop piece with the ensemble in tight harmony, he is hard to fault in any department.

The superstars do not steal the show entirely at Brecon, however. And the pubs, hotels and temporary stands around town jump with talent until the early hours. Flying ants, intrusive BBC crews and the uhlquitous pavement pizza aside, Brecon remains nigh-on jazz heaven.

Promenade concerts

Takemitsu and Maxwell Davies

he title, From me flows what you call Time, was the most cumbersome thing about the Toru Takemitsu work performed at the Albert Hall (British premiere) on Saturday. In other respects, any more picturesque offering from this year's BBC Proms schedule is hardly imaginable.

Written for the Canadian five-man percussion ensemble Nexus to play with tha Boston Symphony Orchestra during the 1990 celebrations of the New York Carnegie Hall's centenary, the piece developed Its musical rationale (and title) out of the Japanese composer's vision of "100 years of time flowing through the man-made space, so full of special meaning, called Carnegie Hall". The result is an "architectural" composition - designed (as were, say, Berlioz's Grande Messe des morts or Messiaen's Couleurs de la cité celeste) to fill out e large space in a manner combining spectacle, ritual, and a vibrant ewakening of the space in question.

The Albert Hall is always an ideal space for such awakenings; and certainly, It afforded ample room for Takemitsu's 30minute rainbow of sonorous effects. The five Nexus players, each one an extraordinary virtuoso, entered one by one with hells in hand to join the already-playing orchestra (BBC Symphony under Andrew Davis); their five widely-separated banks of exotic percussion instruments formed part of the visual fascination (the front two each connected hy long coloured streamers to a set of wind-chimes hanging "stereophonically" from left- aod right-hand balconies).

In a sense, the music is no more than a five-person percussion concerto, simply shaped in its connected movements, with

diverse exquisite combinations of soloists (some improvised upon a basis of "free" notation) set against a light, airy orchestral background (surprisingly sweettoothed and succulent at times). In another and perhaps more important sense, it seems to be a tapestry of responses to the natural world, evoked in contemplative mood and designed with masterly and entirely unobvious skill to

achieve the same in its listeners.
In a clever feat of Proms planning, Saturday's programme (which also included Mozart and Tippett) balanced the Takem-Itsu with another musical act of nature contemplation, albeit of a very different western late-Romantic - kind. Janice Watson, a young lyric soprano of boundless potential, sang the closing scene from Strauss's opera Daphne in tones remarkably unforced and steady, not sumptuous but always cleanly floated. Her final wordless arabesques - Strauss's lambent evocation of a woman turned into a laurel tree were pure delight.

Max Loppert

he Prom on Friday brought the return of a major British work from the 1980s. The Second Symphopy of Peter Maxwell Davies was heard at the Proms shortly after Its Boston premiere in 1981 and memories of it as a large-scale symphony that was easy to approach were largely borne out. Not that one would have thought so from the audience response. At the end of the first movement a large number of people (more than 100) left their seats and headed for the exit door, after each of the

second and third movements the ritual was repeated, as a mass departure gathered momentum. Davies was conducting the performance and from the podium he watched the audience disperse with a wry smile and no small measure of patience.

The irony is that the Davies we hear in this symphony (unlike the younger com-poser with his fondness for parody and violence) is consciously trying to beguile tha senses. References to Debussy's La Mer in the programme were well chosen. The wavelets of wind scales trickling away at the end of the first movement, the glitthe orchestral textures - everything has an impressionist feel to it.

According to the composer's own description, the symptony was inspired by the sounds and behaviour of the sea. Various wave-types are detailed as being especially formative, although I doubt that a listener could pick out much of that without heing told in advance. What one hears is rather less than a symphony, more the ebb and flow of imaginative washes of sound. There is little strong thematic material in the foreground, but the general ambience is very expressive.

It seems best to take it on trust that the BBC Philharmonic's performance weot according to the composer's wishes. The attractive features of the symphony, oot to mention its scale, suggest that this is a Devies work that should still be in circulation a further decade bence, hy which time one hopes the audience will be prepared to bear it through.

Richard Fairman

INTERNATIONAL

■ AMSTERDAM

Concertgebouw Tonight: Marc Albrecht conducts Gustav Mahler Youth Orchestra in works by Musorgsky and Bruckner, with Dmitri Hvorostovsky. Tomorrow and Sun: violinist Thomas Zehetmair directs Amsterdam Bach Soloists in concertos by Bach and Handel. Fri: Arpad Joo conducts the Brabants Orchestra in Wagner, Tchaikovsky and Brahms, with plano soloist Rian de Waal. Sat: Riccardo Chailly conducts Royal Concertgebouw Orchestra in Tchaikovsky and Dvorak, with piano soloist Lazar Berman (24-hour information service 875 4411, ticket reservations 671 8345)

■ ANTWERP

An international festival for cathedral boys' choirs takes place at various churches from Aug 22 to 29. Borodin Trio gives a concert at deSingel on Aug 25. Oslo Philharmonic Orchestra conducted by Mariss Jansons give a concert on Aug 30 (Antwerp 93: Information

from Grote Markt 29, B-2000 Antwerp, tel 03-226 9300; booking by telephone from Tele Ticket enrice tel 070-233233 or in person at FNAC, Groenplaats, 2000 Antwerp)

ATHENS

The final performances of the season at the Ancient Theatre of Epidaurus are on Sat and Sun, when State Theatre of Northern Greece presents Aeschylus' The Seven Against Thebes. Tickets are available daily at the Athens Festival box office (322 1459) or at the theatre of Epidaurus on Thurs, Fri and Sat (0753-22006)

CHICAGO RAVINIA FESTIVAL

Tonight, tomorrow, Thurs: Zubin Mehta conducts Israel Philharmonic Orchestra in three different programmes, including Beethoven's Violin Concerto (Pinchas Zukerman) and symphonies by Bernstein, Sibelius and Mahler. Fri and Sat: Broadway comes to Ravinia, with selections from Sondheim, Lloyd Webber and others performed by the festival orchestra, chorus and soloists, Sun: Fats Domino. Next Mon: Jean-Pierre Rampal flute recital. The festival runs till early September. All concerts are broadcast to the lawn for outdoor Ilstening. Lawn admission is always available (Tel 312-728 4642 Fax 708-433 4582)

■ COPENHAGEN

Tivoli Tonight and tomorrow: Paavo Berglund conducts Chamber

Orchestra of Europe in two programmes including symphonies by Haydn, Beethoven and Sibellus. Thurs: Cheryl Studer eings Italian opera arias. Fri: Jessye Norman song recital. Sat: Claus Peter Flor conducts Danish Radio Symphony Orchestra in works by Beethoven, Mozart and Mendelssohn. Aug 25: concert performance of Verdl's Otello. The summer concert season runs till Sep 19 (3315 1012)

■ LONDON

THEATRE An Inspector Calls: Stephen Daldry's award-winning National Theatre production of the J.B.Priestley classic transfers to the West End for a limited season. Previews from Set, opens Aug 25 (Aldwych 071-836 6404)

 A Connecticut Yankee: New Shakespeare Company'e revival of a rare Rodgers and Hart musical, performed in the garden setting of Regent'a Park. In repertory with two Shakespeare plays, Romeo and Juliet and The Taming of tha Shrew. Season runs till Sep 11 (Open Air 071-486 2431) Time of My Lifa: a serious new

Alan Avckboum play, with Anton Rogers and Gwen Taylor (Vaudeville 071-836 9987) The Cenci: a tragedy in blank verse by the English Romantic post Percy Bysshe Shelley, his only

Thurs, runs till Sep 11 (Lyric, Studio 081-741 2311) Much Ado About Nothing: Shakespeare'e romantic cornedy directed by Matthew Walcus, starring Janet McTeer and Mark

completed staga play (1819).

Previewing tomorrow, opens on

Rylance (Queens 071-494 5040) Macbeth: final week of Richard Eyre'a production with Alan Howard kespeare'a anti-hero. Netional Theatre repertory also includes The Madness of George III, Alan Bennett's award-winning history pley starring Nigel Hawthorne (National 071-928 2252) Separate Tables: Peter Bowles

and Patricle Hodge in Peter Hall's production of the Terence Rattigan double bill about hotel guests trying to come to terms with the ageing process and loneliness (Albery 071-867 1115)

South Bank Centre Tonight and tomorrow in QEH: North Indian classical music, with Munshl Razluddin Ahmed and group. Tomorrow, Thurs, Fri, Sat, Sun, Mon in RFH: Steve Reich's The Cave, music and video-theatre epic based on the hiblical story of Abraham and the Cave of the Patriarchs, performed by 13 musicians and four singers in front of five huge video screens (071-928 8800) Royal Albert Hall BBC Proms: in tonight'a concert, Sian Edwards conducts Docklanda Sinfonietta In works by Part, Britten, Dallapiccola and Mozart, with soprano Joan Rodgers. Tomorrow: Kurt Sanderling conducts ECYO in Brahms and Rakhmaninov. Thurs at 19.00: Andrew Davis conducts BBCSO in world premiere of Nicholas Sackman's Hawthom, plus works by Koechlin, Prokofiev and Debussy. Thurs at 22.00: Wynton Marsalis Band. Fri: Jerzy Maksymiuk conducts BBC Scottish Symphony Orchestra in works by Mendelssohn, Sibellus, Rakhmaninov and Kodaly,

with piano soloist Jean-Philippe

conducts National Youth Chamber Orchestra. Sun: Davis conducts BBCSO and Chorus in Dellus. Ireland and Elgar, with Thomas Allen, Jean Rigby and Kathryn Stott. Next Mon and Tues: Mariss Jansons conducts Oslo Philharmonic (071-589 8212)

Collard, Sat: Stephen Kovacevich

■ PRAGUE The new season at Prague

State Opera opens on Thurs with La traviata, followed by Rigoletto, Il trovatore and Un ballo in maschera. Booking at Bohemla Ticket International (261889/228738). The National Theatre reopens on Sep 6 with Smetana's The Secret (205364). There will be a series of Mozart opera performances at the Estates Theatre next month starting with Dia Zauberflöte on Sep 7 (228658)

 Prague Male Chorus gives a concert today at 17.00 et St Mikulas Church in Mala Strana, with a programme including works by Petr Eben and other living Czech over the coming week includes a concert by Traditional Jazz Studio tomorrow and a recital of Haydn, Beethoven and Dvorak by Kubin Quartat on Thurs. Tickets and information from FOK, U Prasne brany (232 2501)

■ WASHINGTON

THEATRE

The Kentucky Circle: Robert Schenkkan'a tala of three families who settle, faud and dia for tha hills and hollows of eastern Kentucky. The play, divided into two parts

olaved on separate eveninga, apana 200 years of American history, with a cast of 20 portraying 72 roles. Opens on Sat and runa till Oct 23 (Kennedy Center Eisenhower Theater

202-467 4600) Down the Road: Lee Blessing'e psychological drama examining America's obsession with violence. Till Aug 28 (MacDougal Street Repertory Company at District of Columbia Arts Center 301-608 2440) Shadowlanda: a love story by William Nicholson based on the Ilfe of C.S. Lewia and his American wife. Till Sep 5 (Olney Theater

 Kvetch: Steven Berkoff's comedy opens on Thurs and runa till Sep 26 (Woolly Mammoth MUSIC

301-924 2739)

Wolf Trap Thurs and Set: Wolf Trap Opera Company presents Le nozze di Figaro. Fri: Statler Brothers, country music. Sun: Judy Collins. Naxt Tues: Natalie Cole (1624 Trap Road, Vienna, Virglnia, 703-218

Merriweather Post Pavilion Tonight: The Beach Boys. Tomorrow: BB King Blues Festival. Set Doobie Brothers. Naxt Tues: Dance Theatre of Harlem. Aug 30: Jethro Tull and Procol Harum (301-982 1800)

■ ROTTERDAM

De Doelen Tomorrow: Marc Albrecht conducts Gustav Mehler Youth Orchestra in Bruckner's Fifth Symphony, Next Wed: Rotterdam Philharmonic Orchestra. Aug 30: Andras Schiff (217 1717)

ARTS GUIDE

Monday: Performing arts guide city by city. Tueeday: Performing arte guide city by city. Wednesday: Festivals Guide. Thursday: Festivals Guide.

Friday: Exhibitions Guide.

European Cable and Satellite Business TV (All times are Central Euro-

pean Time) MONDAY TO THURSDAY Super Channel: European Business Today 0730; 2230 Monday Super Chennel: West of Moscow 1230. Super Channel: Financial Times Reports 0630 Wednesday Super Channel: Finencial Times

Reports 2130 Thursday Sky Newe: Financiel Timea Reports 2030; 0130 Fridey Super Channel: European Business Today 0730; 2230 Sky News: Financial Times Reports 0530 Saturday Super Channel: Financial Timea Reports

Sky News: West of Moscow 1130; 2230 Sunday Super Channel: West of Moscow 1830 Super Channel: Financial Times Reports 1900 Sky Newa: Wast of Moscow 0230; 0530 Sky News: Financial Times Reports 1330; 2030

hroughout his fiveand-a-ball years as **European Community** budget commissioner. Mr Peter Schmidhuber has been virtually invisible to the public eye.

A master of the long and winding subordinate clause, his ponderous manner and penchant for grey suits fit the popular image of the German public servant dedicated to fulfilling the most thankless tasks, in his case supervision of the annual Ecu68hn budget.

Yet there is another side to Mr Schmidhuber, which belies his reputation as one of the least inspiring members of the European Commission. A native Bavarian, he has a stubborn streak which hursts into occasional declarations of independence.

He boycotted the emergency session called hy Commission president Mr Jacques Delors 12 days ago to discuss the exchange rate mechanism debacle. He let it be known the meeting was more a talking shop than a decision-taking forum, and remained in his vacation home in the Austrian

Alps.
Mr Schmidhuber's independent character also means that he is receptive to ideas which might be shunned hy some commissioners. For instance, he has long been an advocate of Austria's entry into the Community, arguing that membership would strengthen its tles with south-eastern Europe, including the Balkans. He has also suggested that the 17 commissioners should he elected directly by the European Parliament, a step which would diminish national patronage but would make the Commission more account-

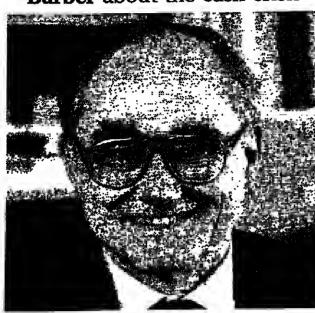
What is most striking about Mr Schmidhuber'a EC career is how he has exploited his low profile to accumulate power in

the Brusseis hureaucracy. Mr Schmidhuber plays sevjob is chief financial controller, monitoring how and where the Community budget is spent. But he is also in charge of the Community's fight against fraud. And last year he took over responsibility for the Cohesion Fund, which will hand over more than Ecul5bn tn Greece, Ireland, Portugal and Spain over the next seven years to enable these poorer EC member states to meet Community environmental standards and improve their transport and communications

His Immediate task is to

Powers of an invisible man

Peter Schmidhuber, EC budget commissioner, talks to Lionel Barber about the cash crisis



Schmidhuber: 'He who bears tha cross will attain salvation'

profile to

in the Brussels

bureaucracy

tackle the latest EC financial crisis, triggered by lower-than-expected growth and the recent debacle in Europe's currency markets, which has led to a devaluation of the Ecu the currency in which most of the Community's budget is

nominated. Spending constraints have forced the Commission to freeze 965 posts

and rigorously enforce expenexploited his low diture limits. Staff bave plaining that accumulate power treaty is ratibroken-down equipment such as photocoplers are not being replaced, while

core activities such as trade missions are suffering because of travel cuts.

The squeeze is set to continue next year because of a surge of almost 20 per cent in pension costs. The reason: young Eurocrats who entered the European Economic Community in 1958 after the Treaty of Rome are now approaching the retirement limit of 60. "We are already feeling the pinch," said Mr Schmidhuber in an interview hefore the effective collapse of the ERM,

"but there is a saving in Ger-

many: 'He who bears the cross

will attain salvation'. Mr Schmidhuber's deaignated cross is the European Parliament, MEPs are pressing for more influence over the budget, partly in anticipation of new powers

Schmidhuber has on "co-deciparliament will gain once the Maastricht fled by all 12 member states. But the present impasse also points to unfinished budget husiness at last December's summit in Edin-

> Although EC leaders agreed to a seven-year budget deal which raised spending from 1.2 per cent of Community gross domestic product to 1.27 per cent by 1999, parliament is withholding approval. MEPs are sticking to two demands: an increase in influence in shaping non-discretionary

spending, such as the Ecu35bn farm hudget; and a "revision clause" allowing for a fresh look at spending levels on Jan-

uary 1 1995.
This is the somewhat amhitions date set for the entry of Austria, Finland, Sweden and Norway into the EC. Mr Schmidhuber points out that it would be a natural point at which to re-examine the Edinburgh budget assumptions. If the Nordic newcomers turn into net contributors, this could create fresh resources for those areas, soch as EC foreign policy and research spending, which were

short-changed, he says. The call for more money falls into familiar categories. First, the Community budget, at only 24 per cent of the total public expenditure of member states. is small; second, the EC continues to take on new tasks, such as aid to eastern Europe; third, the Common Agricultural Policy, though nearly 50 per cent of the total budget, is declining

and remains modest. Critics counter that the Community continues to suffer from a cultural bias in favour of spending. This stems from its traditional role of launching policies in partnership with member states, without a corresponding mechanism for measuring their success.

This is particularly true of the Structural Fund, the development aid programme which with a hudget of Ecu141.5hn between 1994-99 is designed to help the EC's poorer regions; but it also explains why billions of Ecus have been wasted in the agricultural budget in various milk, olive oil and tobacco scandals, mainly in the Mediterranean countries.

Mr Schmidhuber says studies on Structural Fund spending are carried out every three years, but he concedes that clear answers are elusive. "If you run a bicycle shop, you can tell after a year whether It was a good idea or not. You can tell if you made a profit or a loss. But it is not that easy with public investment."

Yet the Maastricht treaty's emphasis on "subsidiarity" devolving responsibility from Brussels to national and local level - must surely force the Commission to develop new types of management skills and better information flows to establish wbetber EC policies are working.

Mr Schmidhuber suggests that the increasing use of external consultants shows the Commission is moving in the right direction. But even the low-key commissioner admits that much more needs to be

The chancellor's dilemma: an inside view

Painful adjustments



as a nation, chosen to borrow so much? Why are we. living beyond nur means by cent nf nur national in-

abont 8 per

nation. In the 1980s our spending habits were based on a national income boosted by oil revenues. In 1986 the value of the oil rents halved when the oil price fell. Revenue has subsequently fallen further as oil output has declined. Wa have failed to adjust our spending to that loss of income. Our balance of payments went into

deficit in the late 1980s and has been in deficit ever since. The economic adjustments required by the arrival and departure of North Sea oil are complex. When the oil revenues first arrived the resulting balance of payments surplus, and optimism about its future, drove up the exchange rate. Manufacturing industry shrank in consequence, and we had a national dehate about the perils of industrial

What will happen, people asked, when the oil runs out, and we haven't enough capacity to export manufactures instead? The answer, obvious to many economists but received with scepticism by businessmen, is that if a high exchange rate can cause manufacturing industry to shrink, a low nne can cause it to expand. As the oil revenues dwindle, the exchange rate will fall, and manufacturing

industry will expand again. Until 1986, when Britain had a large and growing ungarned income from its oil rents, we all enjoyed extra spending power which cams to us in twn ways: the gnyernment's oil revenues allowed it to hold taxes lower than would otherwise have been the case, while the high exchange rate made imports cheaper. So we could afford to import goods previously made here and use the domestic resources thus freed to improve living standards by

That is what has happened in every country nr region that has benefited from a mineral discovery. It was not a coincidence that thousands of new restaurants opened in the UK in the 1980s while local industries went to the wall. The same has happened after

every gold rosh in history. But when the mineral boom is over and the rents start to dwindle, the supply side of the economy needs to readjust. More goods and services have to be produced for sale abroad. The only way of achieving that is via a fall in the exchange rate, which shifts resources previously producing goods for domestic consumption into the export sector. In the UK case, as shall see

that probably means shifting resources out nf the service sactor and back into manufacturing indothar In

words, the loss of the oil revenues means a reduction in our standard of living. And that comes about in two ways: a lower exchange rate makes imports more expensive, and higher taxes reduce disposable

nomic historians will see the fall in the exchange rate last cess to the loss of the North had to wait until 1992-98 as long ago as 1986.

In fact the exchange rate did fall in 1986. But the fall was quickly reversed by the boom of the late 1980s which

generated worldwide interest in what was briefly dubbed the British miracle. Mrs Margaret Thatcher (as she then was) won a third term of office, taxes were cut, growth accelerated, and international companies stampeded to invest in the UK. The inflow of capital drove up the exchange rate and stopped in its tracks the adjustment to

starting. It also made any adjustment sary - for a while. Lower oil revenues meant that, sooner or later, the UK consumer would have to retrench. But the evil day could be put off as long as foreigners were willing to lend. So in the late 1980s, far from cutting back in response to the fall in the oil price, we embarked on a spending

spree. Much of that extra

between 1985 and 1995 was he

the service sector, and nearly

improved living standards -

but did it enimore Britain's

ability to earn its way for the

world? In theory there is no

reason why we should not do

that by experting services. Are

ment in Britains bal-

half went into the City.

The extra invest

by borrowing. It didn't mat-

month, and ev-

eryone wanted

lower oil prices that was just

_ spending was The puzzle is why paid for by oil we had to wait until 1992-93 before adjusting to the 1986 fall in the oil price

The boom of the late 1980s was a service sector boom.

Business investment increased sharply, but casual nbservation suggests that much of that investment took the form of new office blocks shopping malls and DIV superstores. The statistics confirm the endence of date eyes: 95 per cent of the increase in lavestment. I have no doubt that eco-

September after sterling's exit anism and the subsequent increases in taxes as part of an inevitable adjustment pro-Sea revenues. The only puzzle in this neat story is why we before adjusting to a fall in the oil price which took place

massive investment of the late 1980s in services, the export of services actually fell slightly as a share of gross domestic product. i conclude that the adjust-

ment to a world of lower of revenues will require a shift of resources nut of services and into manufacturing. That adjustment has already begun, because the recession has been worst in the south. where services predominate. while the manufacturing north has escaped relatively lightly. The priority now is to ensure that the resources freed up by recession are absorbed again by manufac-turing (or other industries whose output can be sold ahroad and/or replace imports). They must not be pre-empted, as happened in the late 1980s, by another

domestic service sector boom It was Winston Churchill, as chancellor, who said (of the return to gold in 1925): "I would rather see finance less proud and industry more content." The fall in the exchange rate last September (analogous in many ways to coming off gold in 1931) achieves exactly that. It is the key to the expansion of manufacturing which is why we have seen a rise in output this year

despite flat retail sales. One aim of monetary policy must now be to ensure that the competitive advantage delivered by Black Wednesday remeins intact. If that means lower interest rates, then an increase in taxes (or cut in sublic spending) will be all the more necessary to curb the resulting growth in eetic denoand. Low interest rates and higher taxes: that is how to ease our eco-moder adjustment to dwindling oil revenues.

Bill Robinson

of the Institute for Fisca ance of trade does not have to Studies and was a special come from nonministrating in adults to the former chancel-practice however, despite the for Mr Numan Lamont.

can staduise

opposite to be the case.

Primary copper producers

and others are developing a

keen appetite for options. The

granters and users of options

are the new managers of risk and the principal providers of liquidity, and even of greater stability in the marketplace.

They will help avert - or at least mitigate - critical times

Gooding correctly paraphrases my remarks in Metals and Minerals Annual Review

on the subject of London Metal Exchange warehouses in other key industrial areas. But I was deliberately non-specific about

suitable new locations.
I believe that LME ware-

houses in the US for copper (the LME has them for all

other base metals) would seri-

ously threaten the continued viability of the Comex copper market, which is the only base

metal futures contract in the

The arbitrage between the LME and the Comex copper contracts would be under-

mined and destroyed. Valuable liquidity would be lost to the

LME and might not be ade-

in the future.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL.
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set for

Public smoking epidemic keeps Options rise US visitors away from Europe

From Dr M Singer.
Sir, Ynur article on the decline of US visitor numbers ("Cheap money is no bargain", August 7/8) misses an important reason for the current reluctance of Americans to visit Europe.

On October 14 1777, Mozart wrote from Augsburg in Ger-many about his visit to a cof-fee-house. "When I entered I thought that I should drop down, overcome by the stink and fumes of tobacco. But with God's help I had to stand it for an hour; and I pretended to enjoy it all, though to me it seemed as if we were in TurAn epidemic of public smok-ing has spread through main-land Europe. From railway statinn waiting rooms in restaurants, from theatre foy-ers to taxis, from botels to hos-pitals, the visitor is condemned to the situation endured by Mozart. The UK is better, but not by much. How charming the intimate little restaurants are - if you do not mind a sore throat, streaming eyes, and all your clothes needing cleaning.

Complaints are met by amused shrugs at the fussiness of Americans. The trouble for the European tourist industry is that those fussy people go back home and pass un the

pean restaurateurs, publicans, and others who earn much of their living from the sourist trade, may not be aware of the full cost of that smoking habit. Mozart stayed two more weeks in Augsburg, but he did not return to the collectionse - nor to Augsburg M Singer, 414 Sea Sage Drive,

Aparment 12**
Delray Beach
Florida 33483

copper market word to all their fussy friends.

Most Americans do not smoke, and do not like smoke.

The Americans with mest money to spend are those who dislike smoke the most. Kero-From Mr Christopher Green.
Str. Kenneth Gooding's erticle "Copper tuarket responds to rogue element" (August 13) gives the impression that the massive increase in option activity in the copper market over the past few years has been disruptive and destabilising. However, I believe the

The heavy burdens of competition law

From S L Sidkin Sir, The need for competition law reform is undeniable as the points in "Competition on the back burner" (August 10)

However, there are two further points that should be

First, the Court of Appeal has added to the burden of the Office of Fair Trading. As a result of a decision in 1991 it is now incumbent on the OFT to establish not only that individual employees have participated in a registrable agreement - which can be difficult -hut also that in participating in such an agreement they were acting within the scope of their authority. This is even more difficult to show.

Second, the opportunity exists for someone who is affected by the unlawful operation of a registerable agreement to sue for damages. any party which gives effect to

One example of this occurred some years ago when four compamies paid to the Post Office approximately £9m in an out-of-court settlement. The money was paid by way of an adjustment to prices charged under a registerable, but unregistered,

However, this remedy is rarely used by the victims of market-sharing and price-fixing cartels.

Perhaps if more businesses made use of this remedy the government might consider it desirable to accelerate the introduct

reforms.
For the present the government is being meaty mouthed it retains competition legislation that is not up to the job and which imposes unnecessary burdens on many small and medium-sized companies. But at the same time it heralds its devotion to competition and to freeing businesses from the burden of ret tape.

Competition will be more in the refrigerator than on the back

refrigerator than on the back

burner. S L Sidkin; Fox Williams Solicitors, City Gate House, 39-45 Finisbury Square, London EC2A 1UU

Credit terms too favourable

From Mr David Rex. Sir, Readers may have been surprised by the revelations on discounting contained in the Winkler marketing aurvsy ("Watch those freebies", 10 August). But those findings are likely to represent only part of the nicture.

in the work that my organisation does with companies on their trade receivables I have been surprised by the extent to which extended credit terms have been granted - often, as with discounting, in the belief that such terms are a precondi-tion of remaining competitive. I refer not to the late pay-

ment of debt but to the formal sanctioning of credit periods of double or more the supplier's preferred terms. Such terms

can be especially attractive within the organisation as unlike most forms of direct discounting, the impact is often not measured as a cost of sale and is therefore more readily perceived as a no-cost option by those who grant it.

Looking at these activities in

the context of your editorial of the same day ("Profits please") perhaps managements and leader writers should remember that it is not government or wage bargainers who are the prime determinators of profits and margins. David Rex. David Rex Associates,

Warsash,

Commercial traveller sees the world

From Mr A L Brend Sir, I was interested to read nf Peter Job's travels (Observer, "On the jnb",

August 6).
My own travels this year have covered 27 countries (including holidays and excluding repeat visits). Throughout ing career the number is 199. I suspect, however, that I am much older than Mr Job! AL Brend, chief executive Commercial Union, 6 Broadgate,

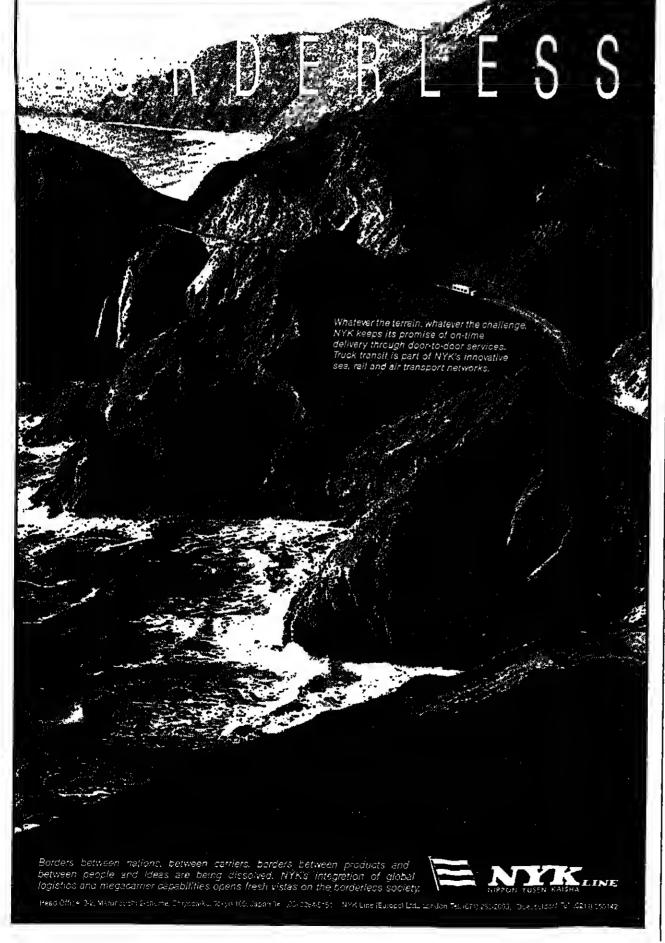
quately replaced, at least in the near term, by other business from the US. Finally, your leading article "A scrap over aluminium" (August 13) addresses the European Community restrictions on aluminium imports from the Communwealth of

Independent States.

The European aluminium producers who pressed for those restrictions clearly had their heads firmly in the sand while, Canute-like, they com-manded the waters to recede. This attempt to gain EC protection demonstrates a lamentable lack of comprehension of how the market works. The aluminium market is international and the price will not be affected by the EC restrictions on imports of CIS material.

Christopher JB Green, Barciays Metals,

6th floor,



FINANCIAL TIMES

Number One Southwark Bridge, London SEI 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Tuesday August 17 1993

Speculators as the scapegoats

TRUE TO past form, a number of European policymakers, notably in France and Belgium, have reacted to the exchange rate mechanism debacle with loud calls for measures to curh speculators, condemned as either errant or malicious. These politicians reveal a worrying misunderstand ing about markets. But they are right in their belief that the European Community cannot return to where it was a few weeks ago. What it must not do, however, is try to go further backwards still, to the era of exchange controls.

Belgium's finance minister, Mr Philippe Maystadt, has condemned currency speculation as "a type of transaction which does not know any rules, no costs and no taxes". Earlier, Mr Edouard Balladur, the French prime minister, argued: "The crisis wasn't due to concern about the franc itself, but to a desire to destroy the European monetary system." This, he added, was because speculators want the world'a currencies to float freely so they can make more money.

These views would be funny if they were not so disturbing. Mr Balladur seems unaware that even a shrewd speculator is unlikely to make a consistent killing in a free market. The most profitable currency markets are ones in which governments put themselves forward as pigeons for investors to pluck. It would be surprising therefore if the latter were not praying for immediate recreation of the narrow-band ERM. This the EC says it intends to do. The question is whether its intention reflects the interests of the people of Europe.

Unnecessary recession

Franc

Mr Balladur believes the security of his country has been endangered. But perhaps what has been endangered is the reputation of its policymakers. Those in office usually believe that their policies express the long-term interests of their people, while speculative attacks reveal the irresponsibility, if not wickedness, of markets. But thet conclusion is

not self-evident. In this case, speculators doubted the willingness of the French people to tolerate an unnecessary recession in the name of European integration. By doubting it, they created the conditions in which that policy could change, a result

Whenever a perfectly good explanation can be found for the behaviour of individual investors, conspiracy theories are unnecessary. Currency markets are the largest and most liquid in the world. The envisaged collusion among participants is inconceivable. To argue otherwise is to indulge in paranola.

Freedom of movement Exaggerating the wisdom of gov-

ernments and the follies or even wickedness of markets is, unfortu nately, not the only mistake that has been made. As important has been the undua identification of the cause of the European integration with a particular monetary mechanism, a mistake that paral lels earlier worship of the common agricultural policy. The foundation for European integration has in fact, been the integration of the economies of member states hy the progressively increasing free-dom of movement of goods, services, labour and capital. The ERM, or even economic and monetary union, can be justified largely to the extent that they support such integration.

This is why talk of exchange controls is self-defeating. In the absence of some kind of global tax on foreign exchange transactions, which seems infeasible in practice and questionable in theory, the only way to try to prevent what happened to the ERM would be a return to tight national exchange controls. But this would fragment the single market for capital and verely hamper those in labour and services. Since the ERM has often been justified as the monetary counterpart of the single mar-ket, it would be perverse to adopt measures that would destroy what the mechanism is supposed to pre-

Apart from being perverse. exchange controls would probably also be infeasible. The EC must move in a different direction. One alternative would be faster movement towards monetary union But this the Germans seem unlikely to accept. Another would be to make the present wide bands work, perhaps in the context of greater global exchange rate co-ordination. But one thing is quite clear. There is no future for the EC in going backwards. It must move forward instead.

he decision by Great Univarsal Stores last month tn end slx decades of family control by enfranchising its nonvoting shares could open a new chapter for the company. It could do the same for the UK business it

still dominates: mail order. The move by the mail order, retailing and financial services group aroused speculation in the City that it might shed its conservative image and use its £1.3hn cash reserves to become the adventurous and acquisitive company it was in the 1950s and 1960s. Some observers hoped it would invest in technology and lead the UK mail order husiness in adopting systems for com-municating with customers via cable television, and eventually interactive video transmissions.

Change may be needed because the outlook for traditional mail order in Europe and the US is uncertain. The arrival of new technology and growing competition from sophisticated high-street retailers are forcing mail order operators to look at innovative ways of selling, and improve their service to customers to hold on to

A report last week hy Verdict, the retail research group, says growth in the UK mail order market outpaced the rest of the retail sector last year. But in each of the six previous years, mail order's share of the retail market had shrunk Only weeks before GUS's announcement, Sears Roebuck of the US finally closed tts catalogue

division, ending an American tradition and raising questions about the future of the industry in the US. For much of the 20th century Sears's Big Book was a symbol of "middle America". But though the catalogue still circulated to 14m households last year, sales of \$3.3bn (£2.2bn) were not enough to avoid a \$175m division loss. The Blg Book could no longer bold its own

against younger, more carefully targeted competitors in a market

approaching saturation, and being

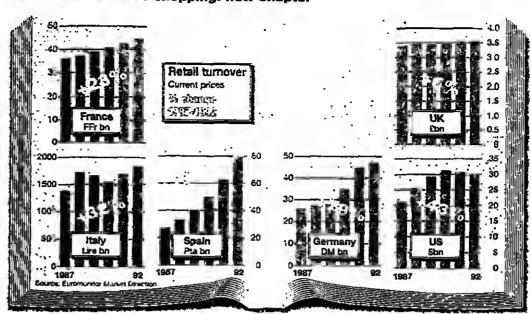
vaded by cable TV operators. The Sears general merchandise catalogue had become a mainstay for isolated farming communities in the midwestern US and, it was said, the most popular home literature in America next to the Bible. But during the 1980s the Big Book faced a growing number of rivals, as higher transport costs and road congestion boosted bome shopping. Delivery systems were improved, and niche marketing developed. US sales from home shopping rose by 48.8 per cent in 1987-90, to \$31.6bn.

The fortunes of mail order in the UK followed a similar path, after it originated in the late 19th century in so-called "turn" or credit clubs, whose members paid a shilling a week and were able to buy £1 worth

Neil Buckley says the mail order business needs to adapt and innovate to survive in a competitive climate

Last post for the big books

Mail order and home shopping: new chapter



of goods every 20 weeks. After the first world war, clubs developed networks of agents, with

an average of 20 or more customers each. They found a ready market, particularly among poorer socio-economic classes in northern England, who were prepared to accept relatively slow delivery times in exchange for low prices and - long before they were offered by the rest of the retail sector credit facilities.

But, as in the US, the glossy catalogues no longer hold the aflure they once did. Traditional advantages - availability of credit, convenience, bome delivery and low prices - are constantly being eroded hy developments in blgh-street retailing. Between 1985 and 1991, home shopping's share of retail sales fell from 3.54 per cent to 2.96 per cent, although it improved again last year to 3.16 per cent.

In continental Europe, the picture is mixed. In France and Germany the mail order business is well-estahlished. The French market has grown steadily to reach FFr44.9bn (£5.1bn) in 1992, according to Euromonitor, the UK market research

group. Germany has hy far the strongest mail order market in Europe, growing to DM47.3hn (£18.4bn) last year.

But in Italy, a less developed market, mail order grew by about 30 per cent between 1987 and 1992, to L1.845hn (£770m). Over the same period, Spain's equivalent sales almost tripled from an underdeveloped base to reach Pta80hn

n developed markets, home sbopping accounts for between 3 and 8 per cent of all retail sales. Some experts regard the latter figure as the ceiling and forecast declines in the next few years. "The long-term trend is definitely down," says Richard Hyman, director of Verdict. Others in the retailing industry think mail order can hold or increase market share, but only by

taking advantage of new technology. "Big book" operators are expec-ted to move increasingly towards using television to sell their products. The merger proposed last telesbopping operators in the US, Home Shopping Network and QVC. to form a \$2.2hn network, shows the developing strength of the medium.

Catalogue shopping is unlikely to die out, but is expected to focus increasingly on niche markets. "The shape of mail order in the '90s will be direct, targeted catalogues rather than the big books," says Jim Martin, chief executive of N Brown, the UK mail order operator. N Brown publishes 11 catalogues, aimed mainly at women over 50 and those requiring non-standard sizes,

The company provides a lesson in the power and sophistication of targeted catalogues. It has profitably expanded its market to include women in their 40s and younger, hut many products in its two catalogues aimed at this age group are no different from those in the books for the 50-plus market. The catalogues are presented differently, excluding some products and repholographing others on younger mod-

US mail order companies are leading the way in this development. Spiegel, which became the secondlargest US mall order company with 30 different catalogues.

Catalogues are also starting to target upmarket customers. In the UK, the Next directory, the mail order operation of the high-street fasbion chain, has introduced a younger generation, with different lifestyles and higher incomes than their parents at the same age, to home shopping. Such catalogues are aimed at time-conscious more than price-conscious consumers, and foster a specific style or fashion image. Several focus on men, who have previously been less inclined to buy mail order than women.

But even for companies which do not move to selling by television, technology will be important in making ordering easier and improving delivery times. The nature of home shopping means it can be automated to a high degree.

t Home Shopping Net-work in the US, half of all incoming calls ere handled by Tootie, a Orders and credit inquiries are handled by a computer and all information transmitted to a database which sends out hirthday cards to customers, and reminders to reorder products they buy regularly.

Richard Pugh, deputy chairman of GUS, refused to be drawn last month about whether GUS would move towards teleshopping. But he did outline his vision of automated warehouses, where goods arrive, are stored, picked and dispatched to customers without heing touched by human hand.

Meanwhile, the reshaping of the mail order market is likely to accelerate. Mail order operators gain even more than most retailers from economies of scale, and larger companies are expected to continue to swallow up smaller ones. Two of the UK's hest-known catalogue retailers, Grattan and Empire, have been purchased by continental European operators - Germany's Otto Ver-sand and France's La Redoute - in the past two years. There are suggestions in the City that if GUS decides to expand across Europe it may, in turn, bid for La Redoute. Less developed markets provide

opportunities for growth. Mail order could be particularly important in easl Europe, where the retailing and distribution infrastructure is poor, and It provides a relatively low-cost way of entering the mar-

The emergence of GUS from decades of close control by the Wolfson family may prove timely. As new technology such as cable televislon and interactive communications spreads, and agency systems are replaced by direct marketing, the mail order husiness may change more in the next decade than it has

Remapping US telecoms

AMERICAN Telephone and Telegraph's planned \$12.6bn acquisition of McCaw Cellular Communications will not only be one of the largest takeovers in US history. The deal may also herald a redrawing of the US telecommunications map, which in its outlines still bears the marks of AT&T's enforced break-up in 1984.

The 1984 divestiture, overseen by Judge Harold Greene, split AT&T into seven local telecommunications groups, the Bell companies, and one long-distance com-pany, the continuing AT&T. The Bell companies were prevented from entering the long-distance market, while AT&T was barred from operating local networks.

Some lobbyists will no donht argue that, in huying McCaw, AT&T has found a backdoor route into the local market, as cellular communications were nnt included in the divestiture decree. They may even say the deal

should be blocked as the

inng-distance market is still a no-go area for the Bells.
Policymakers should give such arguments short shrift. At present, cellular communications do not compete head-on with the Bell's local "wireline" phone services, as they are too expensive.
Instead, cellular phones have
expanded the overall market by allowing people to make calls when they are on the move. And, while cellular and other forms of radio communication will undoubtedly provide stiff competition for wireline companies as costs fall, the right response should be to sweep away restric-tions on competition rather than

Justified fears

Judga Greene's imposition of no-go areas for the Bells probably had some benefit back in 1984 in helping competition to take root. At the time, the Bells controlled access to customers and there were justified fears that, if allowed into the long-distance market, they would channel their customers' traffic through their in-house networks and thus squeeze out

But the no-go areas now look like artificial lines on a map, as a result of technological and commercial developments. Under a system known as equal access,

customers are able to choose the long-distance company through which their calls should be routed, with the result that the Bells no longer control customer access. Meanwhile, the Bells' local monopnlies are being eroded by the growth of alternative fibre-optic networks in large cities such as New York. The monopolies would be under even greater threat if cable television companies were generally allowed to provide telephone services over their net-

Extra costs The divestiture restrictions have

outlived their useful life. The long-distance ban, in particular, has led to a balkanisation of the US telecoms map, often requiring calls to be carried by roundabout routes rather than in straight lines, so imposing extra costs. Competition has also not been as vigorous as it could have been. It is unlikely AT&T and MCI and Spint, its two main long-distance rivals, would have announced price rises last month if the Bells had been able to enter their mar-

A bonfire of artificial restrictions would not only do away with those imposed at the time of divestiture. It would also abolish rules banning local phone companies from providing cable television over their networks and foreign companies from owning more than a minority share in any radio licence. The cable TV ban could be deterring telecoms groups from laying fibre-optic cables into peo-ple's homes, and hence the development of the "information super-highways" that makes Vice-President Al Gore so enthusiastic. Meanwhile, the restriction on foreign companies explains why British Telecommunications was unable to acquire McCaw and is now selling its minority stake to AT&T. Such rules provide foreign governments with a ready-made excuse to keep US telecoms com-

panies out of their own markets. Redrawing the US telecommunications map will not be an easy task, given the vested interests in keeping competition out. But the US has already seen benefits from competitive telecoms markets since AT&T's break-up and should have the courage to press on with further liberalisation.

The government would also profit. that has just taken

power in Japan has a lot on its collective mind — mainly, no doubt, how to hang on to it. It will be hard to PERSONAL hold the coalition VIEW together, let alone

to shake up the cosy world of Japan's money poli-tics and to give a fair deal to con-sumers. But that is what it was The elections do not ensure that

the relationship between government and business will be transformed. Many of today's reformers, such as Tsutomu Hata and Ichiro Ozawa, were yesterday's loyal Liberal Democratic party Diet-men, which does not augur well for a clean break. But if business as usual prevails,

elected to do.

Japan will have missed a historic opportunity. Systematic reform offers tangible benefits to Japanese consumers. It would enable Japan's political system to respond to concerns beyond those of entrenched interests. And America and Europe

Reform must be rooted in the rec- As it is, some economic power must ognition that political and economic liberalisation go hand in hand. Regworld is not to be split into three ulation has increased the value for

husinessmen of investing in politicians, and the cost of not doing so. Japan's recent spending spree was designed partly to provide kickbacks from public-works contracts. Political reform requires a decline in the market value of politicians:

the rewards of economic activity must stay higher than those of political activity. That in turn requires that politicians stop trying to manage the economy. For clean politics. Japan must deregulate. Japan's allies often cite its regula. tions as impediments to trade. Fsir

or not, the complaints provide another reason to deregulate: reform could avert the dangers of either a trade war or politically managed trade, both of which would decrease the wealth of the entire world but would devastate an island nation in particular. Japan should therefore hecome

the world's foremost free trader. Were politicians in the US and Europe more responsible, Japan

would not have to assume this role.

Opportunity knocks for the Japanese

hostile trading blocs. Dismantling corporatism would also improve Japan's economy. The privatisalion of its expensive national railway has halted massive losses. Airline privatisations are for-

If politicians want to put the welfare of the people first, agriculture protection must go

cing producers to serve consumers rather than the reverse.

Deregulation of the retail distrihution system would yield more beoefits. Zoning restrictions protect inefficient small shopkeepers. This policy also irritates foreign husinesses trying to distribute their products in Japan.
Eliminating trade and zoning pro-

tection for agriculture would fur-ther free the market in land. Pro-

land and labour to unproductive high tax on the sale of houses, exacerbates urban crowding. Kenichi Ohmae, chairman of the Japanese arm of management consultant Mckinsey, estimates that changing these policies could quadruple the land available for development within 30 miles of Tokyo. That in turn would sborten workers' aver-

sge daily commuting time of three hours. If politicians want to put the welfare of the people first, agriculture protection must go.
Agricultural protection also raises

land prices; and these high prices impede foreign investment in Japan. The US Republican party's Wednesday Group believes this factor contributes greatly to Japan's trade surplus with America.

It is a pity so much attention has focused on this bilateral trade balance. The pursuit of a "solution" to the imbalance leads to counterproductive ideas, such as artificially reducing Japan's savings rate. Removing barriers to investment in Japan, however, would be good in itself, and could shrink the imbal-

tecting agriculture diverts much ance as a happy side-effect. Japan should resist putting

uses. This policy, together with the bureaucrats back in charge to "manage" trade to meet foreign demands. The bureaux will be tempted, as this would give them a new lease of life. So will some companies: export restraints have Iransferred wealth from foreign consumers to Japanese exporters. But cartelisation cannot benefit the public.

During the election campaign, Japan's reformers stuck to generalities, such as ending corruption. But they also called for less government, denouncing the high prices and lnefficiency resulting from intervention. They must now make good that promise.

They should do it because deregu-

lation will destroy the structural base of mucb political corruption; liheralisation will please Japan's allies; and, most important, the Japanese public deserves a better deal.

Ramesh Ponnuru

The author is a scholar of the Insti-tute for Humane Studies, Fairfax, Virginia, US, who has been working at the Institute of Economic Affairs

OBSERVER

New York Fed form guide

■ Now that Bill McDonough has settled in as the new president of the New York Fed, all eyes are on who gets the number two spot he vacated. Given that the person picked will be one of the leading players in the world's foreign exchange markets, the pressure is on for an early decision.

McDonough, who had done 22 years at First Chicago, had only been in the job for 18 months, so it is no surprise that two veteran insiders are the firm favourites to become the next open market account manager with the responsibility for carrying out the

Fed'a monetary policy directives. What is different this time, however, is that the two favourites are women: Joan Lovett, manager of the domestic open market desk, and Gretchen Greene, manager of the foreign open market desk. When the presidency was up for grabs earlier this year there was considerable speculation that the Fed might choose a woman. So the chances of a woman in the number

two slot are now higher. Of the two likely candidates, Lovett might have an edge because her role as chief of domestic market operations is arguably more important than Greene's, who handles the Fed'a activities in the currency markets. Greene, however, has a clear advantage in seniority

and experience - she has run the foreign desk for more than 20 years, and was in the running for the joh when McDonough was brought in from outside.

She also happens to be married to Ed Yeo, a former under secretary of the US Treasury in the Ford administration. Yeo went on to do a stint as First Chicago's chief financial officer hut quit after a boardroom row in 1980. He was replaced hy McDonough, Whether this helps or hinders his wife's chances of promotion remains to

Stunted

■ When the British government seems intent on privatising anything that moves, why has it farmed out all the wounded casualties from Sarajevo to public sector hospitals?

Given the pressure on resources in the National Health Service and the shortage of beds, it would make sense for the authorities to tap the offers of beds in private hospitals. If the private hospitals are prepared to treat the wounded for free, whereas the taxpayer will have to pick up the tab for the use of NHS bospitals, there would be a net saving to the public purse.

If the reason is that the authorities feel more comfortable using NHS hospitals that they know, why did the Overseas Development Agency turn down the offer of an RAF VC-10 aeroplane (BANX)

'Men, I want you to go ont there

and hire a Russian Tu-154 air ambulance? To date, the only party which comes oul well from the affair is the Ssudi Arabian royal family, who belped pay for the evacuations.

Haggle time

■ Hard to believe that with the stock market flirting with its all-time high there are still some investment analysts who can't afford their subs. However, the Institute of Investment Management and Research, which represents Britain'a 3,100

of itself as a caring organisation. Hence, it has asked members not currently employed to send a letter "explaining their circumstances", and it will consider deferring payment of its £81 a year subscription fee. The society insists that this generous gesture is in no way related to the fact that it has just raised membership fees by 8 per cent.

Over-clouded Remember Bill Hussey, the

mining man who was sent to look for gold in Kazakhstan and found his new mine was only a few mushroom clouds away from the former Soviet Union's nuclear test sites? Observer was reassured to hear that he has taken to carrying a geiger-counter. However, there was some consternation recently when Hussey pointed his gadget towards the Broadgate complex: it registered three times the level of radioactivity found in Kazakhstan.

Right arms

■ Who would dare cross the threshold of Maggie's Den or brace themselves for a stiff one with The

Iron Lady? Mucb of British history is celebrated in pub signs; the Saracen's Head recalls the Crusades, John of Gaunt is remembered as the Red Lion, and

Richard III as the While Boar. So the Brewers' Society decided tn ask the publicans of today for their opinion of contemporary history. What facets of modern life did they think likely to be commemorated on the puh signs of tomorrow? Not surprisingly, of all the people and events that have made their marks on the 1900s, the two nominated for similar immortality are Margaret Thatcher and the computer.

The Thatcher, in her usual fashion, dominated the political entries. Only two others merited suggestions - Norman Lamont (Lamont's Lament) and David Mellor (The Mellor Drama).

But The Silicon Chip, The Bit and Byte, The Computer and Mouse, et al. according to the licensees, was likely to be honoured long after that other phenomenon of our times, the Euro-Sceptic, was foreotten.

Personal baggage

Whal is the most vital item British tourists always take on boliday? A survey by travel agent Thomas Cook finds that in first place is the bumble British tea bag, followed by a condom, with the trusty travel iron coming in a strong third. Perhaps most surprisingly, three quarters of would be boliday-makers think that being with one's partner is the most important vacation

FINANCIAL TIMES

Tuesday August 17 1993



MBNA bank to site European base in north-west England

A £43m (\$64m1 European headquarters is to be established in Chester in north-west England by MBNA America Bank, repre-senting the largest US investment in the UK for three years and creating up to 800 jobs.

The UK government is meeting 16 per cent of the bank's costs through a £7m grant of regional selective assistance. Mr Tim Sainshury the industry minister. announced yesterday. Such grants are available for projects

that offer new jobs. MBNA, based in Newark, Dela-

By Laura Silber in Geneva

THE Bosnian peace talks finally

resumed in Geneva yesterday, as Croat leader Mr Mate Bohan

warned that the Bosnian Mos-

lems must accept proposed maps

on the republic's ethnic division

Mr Boban said: "Any party that

attempts to make fundamental

changes to the map we have

negotiated so far does not want a

peace agreement, but wants

The remarks appeared to be a

criticism of Mr Alija Izetbegovic,

the Bosnian president, and reflect mounting pressure from Croat

and Serh leaders on the Moslem

Mr Izetbegovic to accept a peace

settlement based on military

Mr Izetbegovic was last night

expected to press the issue of Sarajevo's future status at the

face-to-face meeting hefore talking about the borders of the

proposed union of three ethnic

Serb sources said the parties

were discussing a proposal which

would place the Bosnian capital,

Sarajevo, under United Nations

Mr Izethegovic's hitter opposi-

tion to an ethnic division of Bos-

the many sticking points in the

nian Serh leader, last week con-

firmed that the Bosnian Moslem

Mr Radovan Karadzic, the Bos-

gains made during the war.

delays and war instead,"

bank, with a loan portfolio of \$10.6bn. It specialises in the issue of credit cards bearing the Mastercard or Visa logo to groups with a common interest, such as teachers or opticians.

The bank expects lo employ 70 people by the end of this year and to create the 800 jobs within five years. Measured on the basis of long-term employment, this is the higgest US investment in the UK since 1990 when Conner Peripherals, a computer company, set up in Scotland with the aim of creating 1,500 jobs.
Figures from the Department

Croat warning to Moslems

delegation has not actively par-

ticipated in talks on the territo-

Instead, Mr Izethegovic has

stressed that any agreement will he void without "fair maps".

Italy offers 454

beds for injured

ITALY yesterday offered 454 hospital beds for seriously injured patients from Sarajevo.

Nations High Commission for

Refugees indicated it had more

offers of heds than it had

patients awaiting evacuation.

More than 700 hospital places

have been offered in recent days by countries including Britain, ireland, France, Jordan, Turkey,

The UN Commission welcom

the flood of offers, which it said

marked a turnabout in attitudes

after 16 months of indifference

These must guarantee a viable

state which comprises at least 40

per cent of Bosnian territory and

provides access to the Adriatic

At last night's all-party session,

the international mediators. Lord

Owen and Mr Thorvald Stolten-

herg, intended to "resolve out-

standing areas of the maps", said

Report, Page 2

Finland, Knwait and the US.

from western governments.

The offer came as the United

companies accounted for 41 per cent of the 56,271 jobs linked to inward investment decisions announced in 1992-93.

Between 1951 and 1991, when the pace of US investment abroad slackened, the UK absorbed more than 36 per cent of direct US investment in the European Community, according to the US Department of Commerce.
The first priority of MBNA will

be to issue credit cards on the UK market, but, the bank said, it would be seeking to expand sales in the EC.

MBNA narrowed the choice of

Mr John Mills, their spokesman.

Minutes after the talks got

under way, Mr Mills said all

three parties had agreed that "UN military observers will be

free to go everywhere in the terri-

tory of Bosnla-Hercegovina".

Mr Izetbegovic sald earlier that he would insist during the cur-rent negotiations that Serb forces

However, Commander Barry

Frewer, Sarajevo spokesman for UN forces, yesterday said that following the Serh withdrawal

from strategic mountain heights

around the city this weekend,

Sarajevo no longer faced a classic

But although the UN sald the

area around Sarajevo was now quiet, the UN High Commis-

sioner for Refugees said central

Bosnia remained very volatile,

with fighting continuing between

Croat military leaders in Mos-

tar, south-west Bosnla, were

reported still to be holding about

2.000 Moslem prisoners at a local

airfield. They were using some of

their captives as forced labourers

to dig trenches on the frontlines.

Earlier in the day Croat leaders

negotiations in Geneva unless

their Moslam enemies allowed

relief convoys to cross frontlines

to an isolated town in central

Mosiem and Croat forces.

said relief officials.

immediately violated.

lift their slege of Sarajevo.

started negotiations with Inward, the agency for investment in north-west England, the local authorities and the DTI last

The bank employs a high proportion of graduates and Chestar was chosen not least because of the number of universities stretching in an arc from Stokeon-Trent to Lancaster. The proximity of Manchester Airport also met the bank's transport con-

The headquarters will be on the Chester Business Park where

the tenants includa Marks & Spencer, with its chargecard operations, and Shell Chemicals. China's cabinet

the rough

CHINA has cracked down on the spread of golf courses and race campaign against frivolous real

their efforts to regain control of a runaway economy, have targeted real estate speculation as a leading cause of a credit hinge which was drainlog funds from much-needed infrastructure projects such as roads and rail-

holiday villages, luxury apart ments, hotels and office buildalready in progress," the circular

Mr Deng Chenho, who has been attempting to introduce horse racing to Beijing, the Chinese capital, said he was sure racing would be allowed to go ahead in China "in due course". Mr Deng hlamed "muddleheaded" figures in the Chinese

"They should know that golf

Hopes rise over Hong Kong talks, Page 4

Bosnian talks resume with drives golf plans into

By Tony Walker in Beijing

estate development.

A circular from the State Council (cahinet) said there would be "no approval, no licence, no land and no loans for such expensive projects as horse race tracks and golf

China's cabinet last year reiterated a ban on gambling, but a number of Chinese husinessmen had pushed ahead with race course construction in the hope of getting the han lifted.

The Chinese anthorities, in

"For huildings with limited ings, the country will place strict limits on this area, and halt the construction of some halldings

leadership for the continued ban

courses and race courses will hring them not only a lot of tax money, hut also make the people happy," he said.

AT&T to buy McCaw in \$12.4bn deal

Continued from Page 1

negotiations.

ations market is dominated by large local telephone companies

Yesterday, Mr Allen was quick to stress that "AT&T is not interested in re-entering the local telephone business and today's announcement doesn't change that. More than 99 per cent of all cellular calls go through the local

tional on a go-ahead from various

Europe today

Very warm and humid air will push towards eastern Europe, triggering widespread showers and thunder sto

from Poland to western Russia. Hot

conditions will persist over southern Europe with tropical temperatures extending from Spain towards Turkey. A

weak disturbance will produce cloud in the

west of Spain and Portugal, with thunder showers in the afternoon, Southern France

will be not and sunny with temperatures above 30C. In the low countries, UK and

central Germany, high pressure will keep

23C, Unsettled and cool conditions will

The boundary between hot and sunny weather over southern Europe and coolar

slowly move north. This will allow for a

warming trend, especially in France and Belgium. Near the end of the waek, cool

air will move south over the UK and later

persist in northern Europe

Five-day forecast

The deal is, however, condi-

regulatory agencles - including the Department of Justice, which will look at anti-trust considerations, and the Federal Communications Commission as well as certain state regulatory bodies which must approve licence

The FCC said the proposed merger was "a resounding endorsement for the future of wireless communication" and had "great future potential" but

stressed it not reviewed the transaction, and would be

"open-minded on any valid oppo-

if the deal goes ahead, holders of both McCaw's "A" and "B" shares will receive one AT&T share for each McCaw share held, and McCaw shareholders will end up owning around 14 per cent of AT&T. On Wall Street, AT&T shares slipped \$1 to \$61% in the morning session while McCaw gained \$5 to \$56%. The logic of combining AT&T and McCaw had been generally accepted by Wall Street analysts.

FT WORLD WEATHER

over the low countries.



sun
sun
flair
cloudy
shower
cloudy
thund
cloudy
sun
fair
lair
sun
sun
cloudy
sun
fair
sun
cloudy Sun fair fair fair fair fair fair shower shower fair cloudy cloudy chudy sun thund rain sun sun shower sun sun shower todoudy shower todoudy Malta Marches Marta Meribourn Mexico C Marma Montreal Moscow Musico I Naples Nessau New Yorl Nicosa Oale Parragua Rangoon Rangoon Rio Riyach Rome S. Frsco Seoul Singapore Strockholm Strasbourg Sydney Tel Aviv Tokyo Toronto Turis Vancouver Vance Venna Warsaw Washington Wilniped Junch

THE LEX COLUMN

McCaw's sugar mommy

American Telephona & Telegraph's \$12.4bn acquisition of McCaw has at least the merit of tidiness. Instead of FT-SE Index: 3008.3 (-1.8) its original proposal which left McCaw equity lying about in the market. Argos AT&T has swept up the entire cellular company. A straight one-for-one share swap also makes the accounting easy. Yet the deal has the feel of the prop-erty scramble which accompanies the first few rounds of a Monopoly game. There are few strategic telecoms prop-erties up for sale around the world, and AT&T has been prepared to dilute its earnings significantly in order to acquire one of them.
Still, unless McCaw gives AT&T

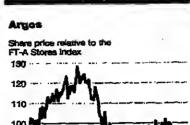
some access to local telecoms in the longer term, it will prove very difficult to justify the high price paid. Experience with radio phones will doubtless be useful once new technologies such as personal data notepads and multimedia are integrated with cellular telephony. It also gives AT&T another weapon in its armoury of managing company telecom requirements. Yet such advantages will not, by them-selves, provide a decent return on the

AT&T's strategy seems to be to cast its net across many markets - from computing to radio, Europe to China -in an effort to remain in the forefront of a rapidly evolving information tecbnology husiness. That may make sense at present, but not even Ma Bell can afford such breadth for long - as its high gearing and yesterday's dilutive acquisition show. When it narrows its focus, it will do well to remember that owning networks is becoming a commodity business. It is the data which flows through them which is valuable.

Abbey National

If the value of estate agents is a reflection of investing institutions' view of the housing market, yester-day's disposal by Abbey National is depressing news. Even allowing that the purchasers are getting a discount for buying the whole Cornerstone chain, an average price per office of £23,000 is well below that achieved by Prudential following its decision to divest in 1990. Abbey was not alone in paying 10 times more per office in the 1980s. That will he of scant consolation to shareholders now faced with another £30m writedown to add to the

£228m of losses already announced. Since estate agencies have proved to be unreliable sales outlets for mortgage lenders or life insurers, it is hard to quibble with Abbey's decision to



sell Provident Life will be hoping for better luck with a tied agency agree-ment with the new owners in return should yield the same flow of life insurance husiness without the capital risk while giving entrepreneurial man-agers their head. Legal & General is aiming for similar results through

franchising. Even as housing market turnover recovers, though, much depends on whether sales of endowment mortgages are held back hy the combination of public suspicion and new com-mission disclosure requirements. Cheltenham & Gloucester's decision to stop selling endowments underlined that the economics are already finely balanced for some mortgage lenders. Without a good flow of business from that direction, the already tattered argument for marrying long-term savings and estate agency will be impossible to sustain.

MB-Caradon/RTZ

MB-Caradon's apparent difficulty in spending its cash shows how unwise it is to conclude deals by means of semaphore. When MB-Caradon realised £473m from selling Its 25 per cent stake in CarnaudMetalbox in April, It flagged its intent to reinvest the money in building materials products. its predatory presence steepened the cyclical upturn in the sector's shares. Those of Mariey, for example, widely tipped as a likely target, have shot up from 58p last September to 166p.

It therefore comes as little surprise that MB-Caradon is trying to huy an unquoted package of assets from RTZ, although it is not clear how much it

hopes to huy or what price it is pre-pared to pay. The 6 per cent rise in MB -Caradon's shares shows the market's faith that it will not do anything silly. But it also reflects relief that the meagre returns earned from leaving £370m on deposit may soon be ending. Failure to secure an agreement could now result in some damage to MB-Caradon's shares hut this is no reason to press ahead if the terms are not right. Reuters has made it respectable to return surplus cash to shareholders. It would be no shame on MB-Caradon is

it were to conclude the same. As for RTZ, changes to the ACT regime may have reduced its need to preserve UK earnings. The company is under no pressure to sell but the disposal would usefully reduce gearing and may facilitate another big acquisi tion. Those Whitehall boffins working out how to sell British Coal would doubtless be delighted. They may have a hard job tempting RTZ, nonetheless.

Argos

CBI surveys may suggest that most retailers are feeling more perky about life, but conditions are barely good enough to raise a smile from the Argos board. The company has seen trading conditions improve steadily through the year, but management's eyes are relentlessly focused on the 25 per cent of sales which fall in the live weeks up to Christmas. Large tax increases in Mr Kenneth Clarke's November hudget would depress consumer confidence in the critical period hence the company's nervousness vesterday.

Yet it would not do to get too gloomy. The advantages of last year's catalogue changes and new sales formats will not drop away immediately. There is unlikely to be a repeat of the jewellery price war of two years ago, and the company continues to throw off cash despite the expansion of its store chain.

In the longer term, Argos, in common with several other retailers, faces the problem of what to do with its strong cash inflows and swelling cash pile. After the Chesterman furniture fiasco, Argos will doubtless be cau-tions about future diversification. Yet only a sizeable acquisition will absorb much cash, and if no target is forthcoming, the company may consider returning its excess equity. That might raise some cheer among shareholders and support the shares, which otherwise are beginning to look somewhat overstretched.

Invest in your evenings Invest in your career

London Business School's challenging evening programmes are designed for experienced managers and finance professionals in industry, commerce or the City.

The long-established and very successful Corporate Finance and Investment Management evening programmes provide comprehensive coverage of their respective fields, including exposure to many of the latest developments and ideas. They require attendance on one evening per week over three ten week terms from October 1993 - June 1994. For further details, please tick and return the coupon.

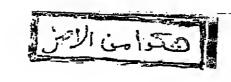
The School also offers a Masters Degree Programme in Finance and entry to the degree can be either via the Corporate Finance or Investment Management Programmes. The Masters degree can be completed in two years of part-time (mostly evening) study and leads to the award of the University of London MSc degree.

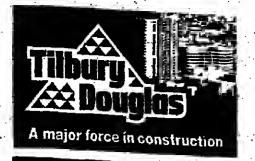
All three finance programmes allow individuals with full-time jobs to develop their financial knowledge and improve their skills while maintaining their work commitments.

Two evening information sessions about the Masters Programme in Finance will be held at the School on Wednesday, 18 August and Wednesday, 8 September at 6.15 pm, and they last about an hour. If you would like to attend either of these information sessions, please telephone, or tick the relevant box below and return the coupon.

ase attach a business ca	of or complete the coupon in block capitals Rephone: (444) (0) 71 262 5050; Fax: (4-	and	return it to: Janet Dobson, London Busin		
ase send details for: I risk to attend the Masse	l Corporate Pinance Evening Programme is Programme information session on:		l Investment Management Programme Wednesday 18 August or		l Masters Degree in Financi Wednesday 8 September
RING) FIRST NAME:	SURNAME	-		•	
E TTLE:	COMPANY:	_	FT 177	8	London







FINANCIAL TIMES

COMPANIES & MARKETS

© THE FINANCIAL TIMES LIMITED 1993

Tuesday August 17 1993



INSIDE

Saab benefits from restructuring

Saab Automobile, the Swedish car group, yesterday announced a second quarter loss after financial items of SKr423m (\$52m) – à 17-per cent Improvement on the SKr507m deficit in the same 1992 period. Saab said the improvement reflected the benefits of its ongoing restructuring. Page 16

Philips in multi-media drive

Philips, the Dutch electronics group, is to attempt to seize worldwide opportunities in the field of multi-media education and entertainment by regrouping its international efforts in the field of consumer electronics "software". The core of its efforts in electronic media will be its New York-based Philips Media unit. Page 16

Argos warns of 'fragile' recovery The chairman of Argos, the catalogue retailer, has ne charman of Argos, the catalogue retailer, has warned the UK chancellor that any tax increases in his November Budget could destroy the "tragile" recovery in consumer confidence and devastate retailers' profits. Page 16

Cosmo welcomes bank rescue The schedula of Daiwa Bank's rescue of Cosmo Securities is to be announced today. Mr Hiroshi Nakano, president of Cosmo, said: "The only way for Cosmo to survive is to become a subskliary of Daiwa." Page 18

Toy retailer beats falling sales Sales at Toys 'R' Us, tha US toy retailer, grew 5.4 per cent in the second quarter of the year to \$1.3bn, despite a fall in sales inside the US due to a lack of any big-selling new products during the quarter. Page 18

Kmart under pressure

Kmart, tha second-biggest US retailer, reported lower post-tax profits in the three months to July with core discount stores remaining undar pressure and losses growing on its Pace membership ware-house operation, Page 16

Takare rises 16.8%

Takare, the largest UK nursing home operator, yesterday reported a 16.8 per cent rise in interim pretax profits, excluding exceptional items, to 26.58m (\$9.6m). The period, to end June, covered the implementation of the Care in the Community Act which shifted the burden of public funding of nursing home patients from central to local government. Page 21

Hoars retreat from Hoskins

Mr Bame Hoar, chairmen of Hoskins Browery, the UK brewer which is facing its second state holders rebellion within a year, said yesterday that his family had decided to sell a majority of its sharehold. ing. The real ale brewer reported a 16 per cent increase in full year pre-tax profits. Page 21

Northern sees milky quagmire

Northern Foods, the UK food manufacturer, s quagmire" will result from the replacement of the Milk Marketing Board by a "morropoly broker" when the milk industry in England and Wales is opened to competition next year. Page 22

Norway and Finland lifted

The Norwegian and Finnish markets have both been lifted recently by sharp cuts in domestic interest rates; as a result Oslo's all-share index put on 8 per cent over the week and Helsinki's Hex Index rose 4 per cent. Back Page

Market Statistics

Benchmark Govt bonds 19	Lifte equity offices	15
FT-A indices 23	London tradit, options	19
FT-A world indices Back Page	Managed fund service	26-30
FT fored interest indices 19	Money markets	30
FT/ISMA int bond svc 19	New Int. bond issues	19
FT guide to currencies 20	World commodity prices	22
Financial futures 30	World stock mkt Indices	31
Foreign exchanges 30	LIK dividends announced	20
Total Division and an arrangement	Dir Cilindates announce	-
London recent issues 19		

30 London share service

Companies in this issue

	ATRT	15	MB-Caradon	. 16
	Abbey National	18		16
	Adidas	18		20
		21		16
	Alliance Trust			21
ì	Aminex	20		1a
	Argos	20 , 18		7
	Asko	16		
	BM	20		16
	Bakyrchik Gold	21	Pillar	15
ļ	Bensons Group	21		21
	Campbell & Armstrong			20, 15
	Chilewich	21		16
		18		18
í	Colgate Palmolive	15		15
ĺ	Continental Airlines			7
	F&C Special Uts	21		21
	GE Capital	16	Seacon	20
Ì	HM	20	Sotheby's	18
ì	Heath (Samuel)	21	TVB	
ļ	Hoskins Brewery	21	Takare	. 21
١	Impala Platinum	18	Toys "R" Us	18
į	Jetstream	7		20
i		16		16
	Kmart	21	West LB	1a
	1 GW		1100-	

Chief price changes yesterday

FRANKFURT					4815		234
Rised				Saloman	4214		314
Altanz	2420	+	20	Snapple Bev	4274	*	324
DLW	C3	+	11	Falta	61%		34:
Marcedes	7195	+	12.5	Am T&T		-	76
Falls				TOKYO (Yes)			
CB & Bester	951	_	14	Pison			90
Kaufter	549	-	16	Japan Aircraft	1320	*	108
	392.3		7.2	Kga Of	1030	+	
NEW YORK				Melli Machine	605		65
	7			Yamada	595	+	93
Rimes Lin B'castino	110'*	4	8	Fell's			120
McCow	564	I	SH	Hitechi lofo	1540	-	100
Newmont Moing	487		44	Missai High-Lac	2200	-	100
Parts closed.	New Yo	rk #	rices :	nt 12.30.			
LONDON (Per	sce)			Oceana Cons	123		12
Rises			_	OCCURA ANIM	37		4

Andrew Adonis explains why the US industry leader is splashing out with a \$12bn takeover of McCaw Cellular Communications

operator, as the "telecommunications deal of the century". Barely two months later AT&T, the US giant itself, has trumped BT with a \$12bn-plus takeover of McCaw Cellular Communications, one of the leading US mobile phone

Buffett: betting his own money

Salomon shares rise as Buffett lifts stake

By Patrick Harverson in New York

SHARES in Salomon, the US aecurities house and energy group, rose sharply yesterday on the news that Mr Warren Buffett, the billionaire investor who masterminded Salomon's recovery from the dabilitating effects of the 1991 Treasury auction scandal, is raising his stake to at least 15 per cent.

Although Mr Buffett would only be raising his stake by a small amount – he already owns 14.3 per cent of the company in the form of convertible preferred stock and he has a long-standing agreement not to raise that to more than 20 per cent until Octo-ber 1994 - the notification that he plans to add to his holdings was seen as a vote of confidence

The news prompted heavy buying of the company's shares on the New York Stock Exchange, and by early afternoon the price was up \$2% at \$48%, a 52-week

Analysts said that the rise was a reflection of Mr Buffett's influ-ence in the markets. Mr John Keefe, brokerage analyst with Keefe Worldwide Services, said that because Mr Buffett was known as a successful investor and because of his close links with Salomon, "his actions will prompt others to huy the stock". Mr Buffett is not the only

senior company figure to bet his Last week, Mr Deryck Maughan, chairman of the firm's brokerage unit Salomon Brothers, was reported to have spent \$1m on 25,000 Salomon shares one week after the company reported record second-quarter profits of

This was also seen as a sign that senior Salomon management believe the company has fully recovered from the 1991 scandal, which cost the company several top executives, heavy fines and government restric-tions on its brokerage activities, plus the temporary loss of many

During his one-year stint as Interim chairman. Mr Buffett helped restructure top management, changed internal policies and reduced reliance on profits from speculative bond trading hy emphasising its customer-related



In June British Telecommunications hailed its \$5.3hn purchase of a 20 per cent stake in MCI, the second largest US record telecoms deal

The size of the deal - the fifth largest in US corporate history is a sbock, but not its nature. AT&T is anxious to re-enter the cellular market, in which it has not played a part as an operator since the break-up of the old Bell company in 1984. Last November it announced an agreement to take a one-third stake in McCaw, with an option to take a majority

holding in due course.

Cellular subscriber numbers are taking off across the developed world, as mobile phones are marketed as a consumer product for the first time. At the end of 1992 the number of US cellular subscribers was estimated to have reached 11m, a growth of 46 per cent over the year, according to the FT's Mobile Communications newsletter. Revenues from cellular services were \$7.8bn, 38 per cent up on 1991. Growth is expected to be lower this year, but subscriber numbers are likely to increase by more than a

Mr Bob Allen, AT&Ts chairman, says: "Wireless communications services are absolutely central to AT&T's networking strategy and key to the compa-ny's future earnings growth." McCaw is an obvious target for

AT&T. Although heavily indebted and still loss-making, it is the cellular operator with the largest metropolitan population coverage in the US. It is not a fixed-line operator, so poses no obviously insurmountable regulatory burdles. Under Mr Craig McCaw, its energetic chairman and founder, it has a go-ahead reputation upon which Mr Allen is keen to capitalise.

BT owns a stake of 17-18 per cent in McCaw, which it will sell to AT&T as part of the deal. Despite their international rivalry, AT&T is not motivated by any special desire to drive BT out of the US mobile market. AT&T's agreement to buy BT's stake pre-dates BT's purchase of its MCI bolding; and the bill for MCI made BT still keener to sell its McCaw shares.

nications analyst with Goldman Sachs, believes two factors decided Mr Allen to go the whole hog at once. First, "negotiations with Craig McCaw seemed to have reached a blt of an impasse, and both of them recognised that using AT&T's brand name and marketing was likely to add the most value."

ER Pre mes including \$2.5% of LIN Second, "AT&T saw McCaw's

Leading US cellular operators

Subscriber numbers(1) (million)

did not want to have pay still more further down the track." Yesterday, however, Mr Allen was at great pains to stress what AT&T did not intend to do with McCaw, "We are not interested in re-entering the local telephone business: 99 per ceot of all cellular calls go through local tele-

shares appreciating sharply because of what they wanted to

do with the company, and they

hut the 1984 divestiture left AT&T free to operate in the cellu-lar business, although it will have to apply to the Federal Communications Commission to transfer the operating licence in states where cellular is regulated. However, cellular is undeni-

1.2

ably an alternative to fixed-line local networks, and one set to become more significant as mobile telephony spreads and its costs reduce. AT&T's rivals may

'Wireless communications are absolutely central to AT&T's strategy and key to the company's

future earnings growth?

phone companies, and it will be rightly fear its potential in the years, if ever, before that wireless business - not least years, if ever, before that

Insofar as cellular communications are still not remotely price competitive with fixed-wire local networks, Mr Allen is stating the obvious. Indeed, new digital netpusnea prices sharply up in the sbort-term, and non-business usage is still low.

Furthermore, there are no obvious regulatory burdles which might lead AT&T to play down its local ambitions. The "Baby Bell" companies will renew their complaints about their exclusion from the long-distance market,

through its capacity to market cellular services as part of "all-in" packages for businesses and residential customers.

To that extent, the McCaw takeover also highlights AT&T's to its own customers. As a telecommunications manufacturer AT&T is a principal supplier to the regional Bell companies. More specifically, it is the leading supplier of cellular infrastructure to them and entered the handset market 18 months ago. Until now the Baby Bells, which bave carved up much of the cellular

market between them, have not seen AT&T as a "mobile predator". If they do, their enthusiasm for its wares may wane.

Metropolitan population coverage (million)

For BT, yesterday's deal offers more graceful exit from the US cellular market than it expected last year. At AT&T's current stock price, the value of BT's McCaw stake is up to \$2.2bn from \$1.8bn last year, although it will not be able to realise the gain until the 1994-95 financial year.

It nevertheless closes a less than glorious episode in BT's post-privatisation history. BT paid \$1.5bn for its stake in 1969. trumpeting its ambition to become "world leader" in mobile communications and the need to diversify away from its regulated. recession-prone markets in the

Four years years later, BT is retiring from the US cellular market with a cash gain which looks distinctly modest compared with tbe 16.5 to 18.5 per cent cost of capital it is permitted on its regulated business under its current agreement with Oftel, the UK

industry regulator. AS IOT world leader, B15 only remaining cellular activity of note is Cellnet, its UK joint venture with Securicor. Unlike its UK competitor Vodafone, Cellnet has been barred by its parents from investing overseas. If world leaders in tomorrow's telecommunications industry need to be mobile, AT&T is out in front. Lex. Page 14

Heavy trading in SE Banken shares

By Christopher Brown-Humes in Stockholm

TRADING in the shares of Skandinaviska Enskilda Banken, the Swedisb bank, was exceptionally heavy yesterday on expectations that the loss-making gronp will today announce a large rights issue and much improved financial figures for

the second quarter. The bank is set to ask share-holders for as much as SKr6bn (8746.2m) through a one-for-two share issue at SKr45 per sbare. according to one report. This is a larger amount than earlier expected and should enable the bank to survive its current diffi-culties without direct state support, say analysts. The bank yes-

terday declined to comment.
A rights Issue has been expected since the bank and the Swedish government announcen in June that the bank's owners would be called on to strengthen the bank's capital base. Raising SKr6bn would boost the bank's international capital adequacy ratio from 8.5 per cent at the end of the first quarter to 10.5-11 per cent, well above the minimum 8 per cent level.

Analysis say conditions for a rights issue are highly favoura-ble given falling Swedish inter-est rates and the surge in SE Banken's sbare price. The shares have climbed nearly 10 times from SKr7 in April to SKr69 yesterday, after gaining new momentum at the end of last week as rumours of a rights issue began to circulate. Turnover in the A shares amounted to SKr198m on the Stockholm Stock Exchange yesterday.

An important consideration for the bank will be the extent to which its leading shareholders agree to support the fund-raising to generate the wider confidence required to make the Issue a success. The main shareholders include the Wallenberg family, with around 7 per cent, Trygg-Hansa SPP, the insurance group, and Custos, the investment group.

Some analysts believe the bank could announce a near break-even result after credit which would keep losses for the first half in the Skr500-700m range. In the first quarter, the bank announced an SKr608m operating loss, down 55 per cent on the same 1992 period.

Lower Interest rates bave reduced the bank's credit losses and enabled it to widen its mar-

MB-Caradon may buy RTZ division

By Maggle Unry and Kenneth Gooding In London

SHARES IN MB-Caradon rose 16p to 303p yesterday after the build-

in CarnaudMetalbox, the French

London Stock Exchange after news of the talks was leaked to Sunday newspapers. The leaks suggest that a price of £750m to £800m might be paid, depending on how many Pillar operations

Caradon acquires.
At the time of Caradon's sale of its CMB stake, Mr Peter Jansen, chief executive, said his group favoured a hig acquisition in one of its core areas and that it could afford to spend up to £1hn. Some analysts suggested yesterday Caradon could finance the Pillar deal partly by equity. The group's last rights issue of shares was in November 1991 at 205p.

Pillar operates via four subsid iaries: building products, engi neering, alectrical and Indal. Turnover was £1.4m last year and far below the peak contribution of £162m in 1988. Analysts excluded from the Caradon deal. Lex, Page 14; Details, Page 20

ing materials group confirmed it was involved in preliminary dis-cussions to buy a large part of Pillar, the industrial products division of the RTZ Corporation. Caradon's share price has been weak recently because of investor uncertainty about bow it would spend the £428m (\$637.7m) cash pile it received from the sale in April of its 25.3 per cent stake

packaging group.

RTZ's price was virtually unchanged. The disposal of Pillar had been widely axpected because RTZ says it will concen-trate on its core mining business - it is the world's biggest mining Neither side yesterday would

go beyond a brief statement issued at the insistence of the

GENESIS EMERGING MARKETS FUND LIMITED

PRELIMINARY RESULTS for year to 30th June 1993

1993 US 9	1992 USS	Change %
120,355,202	114,190,390	+5.4
22.15	21.39	+3.6
0.280	0.109	+156.9
0.26	0.10	+160.0
26th August 19	93	
24th September	1993	
	US9 120,355,202 22.15 0.280 0.26 26th August 19	US9 USS 120,355,202 114,190,390 22.15 21.39 0.280 0.109

ADDING VALUE

Another year of solid progress. Ner asset value up by 121.5% from inception (6th July 1989) compared to an increase of 10.9% for the Morgan Stanley Capital International World Index.

CONTROLLING VOLATILITY

Through extensive diversification, over 100 securities held in 28 countries.

STILL MANY OPPORTUNITIES

Political and structural change continues to create conditions for well-managed companies to develop and prosper.

Issued on behalf of Genesis Emerging Markets Fund Limited by Genesis Investment Management Limited, a member of IMRO. The value of shares can fall as well as rise. Past performance is not necessarily a guida to the future.



21 Knightsbridge, London SW1X 7LY Telephone 071-235 5040 Facsimile 071-235 8065

Continental to cut 2,500 jobs

By Karen Zagor in New York

CONTINENTAL Airlines, tha fifth largest US carrier, yesterday said it would cut 2,500 jobs, close operations in nina cities and cease several unprofitable routes after posting disappointing results for the two months after its emergence from Chapter 11

bankruptcy protection. Mr Daniel Garton, chief financial officer, blamed the company'a tepid performance on continuing weakness in ticket prices. "Our results were in line with the rest of the industry but were still not good enough. It is important that we are taking steps to return to profitability and that we are willing to make the hard

Continental plans to stop services to Australia and New Zealand at the end of October, eliminating several unprofitable routes and closing operations in Sydney, Brisbane, Melbourne and Auckland. It will also close in Vancouver in October and Puerto Plata in the Dominican Republic in September. In the US, it will

close in Spokane, Washington,

and in Bismarck and Minot, North Dakota. It will also cut services in some markets and withdraw from its Denver-Milwaukee, Danver-Detroit and Cleveland-Dallas routes. The carrier will continue to serve Milwaukea, Detroit and Dallas through other hubs.

two months to June 30. The company had a net loss of \$24.4m, or \$1.45 a share, in the period. From April 1 to April 27, the predecessor company had an operating loss of \$58m on reve-

nues of \$476.9m. Net income for the period was \$2.75bn. For the three months to June 30, 1992, Continental had an operating loss of \$58m on revenues of \$1.35bn. Its net loss in the quarter was \$39.2m.

When Continental presented its business plan to the bankruptcy court in April, the company predicted operating losses of \$181.2m for the first four months, but Continental, which emarged from Chapter 11 on April 28, projected operating profits of \$168.3m for May to December.

Restructuring enables Saab Auto to trim deficit

By Christopher Brown-Humes in Stockholm

SAAB AUTOMOBILE, the Swedish car group jointly owned by General Motors of the US and Saab-Scania, yes-terday announced a secondquarter loss after financial items of SKr423m (\$51.8m). This is a 17 per cent improvement on the SKr50701 deficit

for the same 1992 period. The result helped the company maintain its first-quarter progress and took its first-balf loss after financial items to SKr561m, compared with

Skr800m last year. However, there was an SKrt23m extraordinary charge covering start-up costs for the Saab 900 model which is to be

introduced in the autumn. This left the first-half deficit before appropriations and taxes at SKr684m, against SKr782m last

Saab said the improvement reflected the benefits of its ongoing restructuring programme, rather than any market upturn or benefit from the depreciation of the Swedish

First-half sales were down 4 per cent to SKr7.75hn from SKr8.06bn, although the fall io the second quarter was 9 per A Saab official said market

dic markets. He added that although there had been some improve-

conditions remained very tough in the group's key Nor-

also falling in Cermany and the US market was "not that

strong". First-half retail sales fell to 36,000 cars from 46,000. The company said this was because it stopped making the old 900 series in March and took its holiday period, when production is stopped, earlier than

It is sticking by an earlier forecast of 80,000 sales for the whole of 1993, pinning its bopes on strong demand for the new Saah 900 in the last few months of the year.

The company expects a sub-stantial improvement on the SKr2.69hn deficit it sustained for the whole of 1992 hut It says it will remain in the red.

> weather, as well as the compa cents, a year ago. The company, which is in

Sales in the core general merchandise area in the US operating income in the area fell by just under 13 per cent,

First-half net income fell to \$152m, or 33 cents a share.

\$19.2hn,

WestLB 24% ahead at halfway to the state of North-Rhine Westphalia, is, according to some measures, the third-larg-

sive of Germany's public sector banks, reported yesterday that first-balf group operating profits increased by nearly 24 per cent to DM290.6m (\$163.1m).

The increase was achieved despite a substantial increase in provisions against had and doubtful debts. Mr Friedel Neuber, the bank's chief executive, predicted full-year figures would exceed last year's result despite the prolonged German recession and continuing difficulties in the world economy. The bank, the 'house' bank

By Ronald van de Krol

PHILIPS, the Dutch electronics

group, is to regroup its interna-

consumer electronics "soft-

ware" as part of an attempt to

seize worldwide opportunities

in the field of multi-media edu-

It described the internal reor

ganisation as a first step to

making Philips a truly global competitor in electronic media.

The core of the Dutch compa-

ny's revamped efforts in elec-

tronic media will be its New

York-based Philips Media unit.

The unit's creation earlier

cation and entertainment.

tional efforts in the field of

est in Germany, in all areas of husiness a strong rival to Ger-many's "big three" commercial banks. The rate of increase in first-half profits at WestLB was higher than at Deutsche Bank, Dresdner Bank and Commerz hank. In recent weeks they reported increases in profits of 13, 14 and 16 per cent respectively.

German banks as a wbole have profited from rising Ger-man bond and equity markets as well as currency market turmoil and hectic derivatives trading. As in the private commercial banking sector, WestLB's profits growth reflects performance in own-account trading together with fee-income generated from securities business. The bank also had a strong increase in profits from interest income generated from the mainstream lending business - for the private sector institutions growth rates were more enae-

WestLB's profits from ownaccount trading more than doubled to DM190.7m - up by DM101m over the comparable period in the previous year. WestLB, like other German banks, makes its calculations

with reference to half the profit made in the whole of the previous year - oot the actual profits for the first six months of last year. Fee income rose by 12.6 per cent to DMED in and interest income climbed by nearly 16 per cent to DM1.33hn. Like other German backs. WestLB disclosed for the first time the scale of its bad and doubtful debt provisions. These were DM468.8m in the first half, 43 per cent up on last year's comparable DM326.8m. This reflects the sharp deterioration in the credit environment in Germany's worst economic downturn since the second world war.

江南語 湯枝 音楽 もない

3

GE buys Wasa unit for SKr1bn

By Christopher Brown-Humes

WASA, the Swedish insurance group, is selling its consumer finance operation. Finax, to GE Capital for more than SKr1bn (\$122.4m).

The US company, which is part of the General Electric card, in the UK and is in the group, has also agreed to refinance existing Finax borrowings totalling SKr3bn.

The deal will strengthen Wasa's balance sheet and Increase its focus on its core insurance activities. The company will make a capital gain of at least SKr330m on the disposal, as Finax has a hook

lt represents GE Capital's first major acquisition in Sweden and is line with the company's desire to expand its consumer financial services operations in Europe.

The group already has a credit card operation, Storeprocess of setting up a joint venture consumer lending husiness in Spain.

Mr Raymond Nied, manager of GE Capital's International Business Development, said: We think the timing of the purchase is right as we bope the worst of the Swedish recession is now behind us." Figax services around

400, 000 personal customers in Sweden and Norway through five companies offering consumer credit through unse-cured loans and credit cards. Last year it made a pre-tax profit of SKr190m on total lending, net of provisions for credit losses, of SKr3.7bn. Profits this year are expected to at least

equal last year's level. Proceeds from the sale will be fed back into the two mutual insurance groups at the heart of the Wasa group, Wasa Life and Wasa Non-Life. though the repayment of intercompany deht. The deal is expected to be completed on August 31.

previous year. The losses reflect problems with aggressive expansion in credit-finance between 1985 and 1991. This boosted sales of furniture and electronic equipment but led to heavy losses. Mr Diet-mar Mooslechner, chief executive, bas said Massa would only be fit to pay a dividend in

But Metro said yesterday

Massa recently reported losses of DM51.5m for 1992 on turnover of DM5.24bn after a net profit of DM17.5m in the

The offer is one share in Asko in exchange for four shares in Massa. The Asko shares will come from Metro's own holding in the company.

but Kmart optimistic WESTDEUTSCHE Landesbank. the largest and most aggreson outlook

By Richard Waters

KMART, the second-biggest US retailer, reported lower posttax profits in the three months to July with core discount stores remaining under pressure and losses growing on its Pace membership warehouse operation.

Profits dip

But the company's shares edged up \$% to \$23% before the close in New York as Mr Joseph Antonini, chairman and chief executive, said earnings in the second half were expected to exceed last year's evels.

The renewed streogth In consumer spending and good ny's own promotional activities, had brought about an improvement in sales, he said. Net income for the second quarter, at \$102m, or 22 ceots a share, was down more than ooe-third from \$168m, or 37

the process of revamping many of its stores to compete with the faster-growing Wal Mart, had warned at the end of June of a likely fall in profits.

grew to \$6.6hu, or nearly 5 per cent up on a year ago on a comparable basis. However, to \$259m, as the sales mix in the US discount stores tilted towards lower-margin goods. This reflected lower sales of higher-maring clotbiog, doe to had weather, Kmart said. This pushed the company's gross margin down to 23.3 per cent from 23.9 per cent.

Pace, the company's trouhled warehouse chain, suffered an operating loss of \$39m. including the cost of selling or closing 17 stores during the period. This compared with a \$24m loss in the first quarter. Also, Interest costs rose to \$78m from \$59m a year ago on extra deht associated with acquisitions and higher inventory levels.

before special Items, from \$284m, or 62 cents, the year Sales grew hy 10 per cent, to

this year had already under-lined the company's beightened interest in producing and distributing "software" to complement consumer electronic 'hardware" such as televisions, video cassette recorders (VCRs) and new products like

compact disc-interactive. Philips. Europe's largest manufacturer of consumer electronics, is trying to emphasise blgb margin software, such as video cassette rentals, as a way of countering the narrow margins and fierce price wars in the sale of VCRs end compact disc players.

In its new guise, Philips Media will bring together the

group'e existing international and national programmes in Interactive media into one organisation. The new organi sation, Philips Media Electronic Publishing, will aim to grow in target markets such as children's electronic publishing and the production of electronic games and home entertainment packages.

"I believe the company's new structure will enable us to be both responsive and proactive in this rapidly changing world of electronic media," Mr Scott Marden, chief executive officer of Philips Media, said.

Mr Marden said one of the unit's prime tasks was to

Philips to regroup electronic media side enable Philips to pursue opportimities with other media companies. Philips Media's interests include a minority stake in Whittle Communications of the US, which is active in TV programmes hroadcast to US schools, and Blockbuster, the US video rental chain.

The strengthening of Philips Media in New York is also part of a trend towards locating Philips management closer to major markets and away from the group's base in the Dutch town of Eindhoven. Earlier this summer. Philips said it was moving the headquarters of its audio business from Eindhoven to Singapore

Record half

Share exchange offer for Massa

By David Waller

METRO, the Swiss-based retail giant, is giving shareholders in Massa the chance to exchange their shares for shares in Asko Deutsche Kaufhaus, aootber quoted German retailer majoritrowned by the privatelyowned Swiss retailer.

Metro sald this would give shareholders in the lossmaking Massa the opportunity to partleipate directly in Asko, itself in the throes of extensive rationalisation following Metro's purchase of a majority stake last year.

At present, Massa is 65 per cent-owned by Metro and Asko via MHB Handel, a holding Analysts said the transaction

was probably driven by tax considerations - the greater its stake in Massa the larger its potential write-off against profits in other parts of a group which is estimated to have Dal70bo (\$40.6hn) turnover

that the move was appropriate in the light of closer husiness co-operation between Asko and

Shares in Massa and Asko were suspended yesterday at DM170.50 and DM790 respec-

Abbey sells estate agency chain

By John Gapper

its 347-branch Cornerstone estate agency chain for less than one-tenth of the price per outlet paid by many buyers in the late 1980s.

The sale will end a six-year renture into estate agency

which has cost the UK bank an estimated £258m (\$384m). Abbey is selling Cornerstone

ABBEY NATIONAL is selling for £8m to two chartered surveyors who are backed by Provident Life, the life insurance company. The deal will create the UK's largest independently-owned chain of estate agents.

The sale price is equal

year at Vital **Forsikring** to £23,000 per agency, against about £250,000 per branch paid in the bousing By Karen Fossii in Oslo boom of the late 1980s as

companies competed to build up distribution arms. Abbey will still operate mortgage selling units in 50 of the Cornerstone branches.

mortgage lenders and life

jump in half-year pre-tax profit to a record NKr1.62bn (3216.9m) from NKr555m last Lex. Page 14 year, helped by substantial gains on shares and bonds. The

company's A shares closed down NKr1 to NKr70 after hit-ting a high of NKr73 on news of the improved performance. Group premium income rose in the half-year by NKr226m to NKr1.7bn as gross financial income shot up to NKr2.49bn from NKr1.47bn. Operating

VITAL FORSIKRING, one of

Norway's top three insurers.

bas reported a near three-fold

Argos chief warns against tax rises

profits to £13.2m (89m) for the

24 weeks to June 19, on sales

By Neil Buckley in London

MR DAVID Donne, chairman of the UK retailers Argos, yes-terday warned Mr Kenneth Clarke, the UK finance minister, that any tax increases in his November Budget could devastate retailers' profits.

His warning came as Argos

"increasing taxes in the Budget could have a serious impact on the all-important Donne said.

up 10.3 per cent to £365.9m.

Christmas trading period," Mr Excluding the impact of new

stores, sales had increased 5.9 revealed a 39 per cent rise in per cent. However, Argos estimated the underlying increase in consumer spending at only 1.8 per cent, although that compared with a 0.9 per cent fall in the first half of 1992, and a 1 per cent increase in the second half. Lex, Page 14

expenses were largely unchanged at NKr289m. The group's share portfolio was valued at NKr3.7bn

All of these securities having been sold, this announcement appears as a matter of record only.

3,675,000 Shares



Common Stock

650,000 Shares

The above shares were offered outside the United States by the undersigned.

Donaldson, Lufkin & Jenrette

Bear, Stearns International Limited

Merrill Lynch International Limited

Cazenove & Co.

Paribas Capital Markets

N M Rothschild & Sons Limited Smith New Court Securities Limited Daiwa Europe Limited

Swiss Bank Corporation S.G. Warburg Securities

3,025,000 Shares

The above shares were offered in the United States by the undersigned.

Donaldson, Lufkin & Jenrette Securities Corporation

Bear, Stearns & Co. Inc.

Merrill Lynch & Co.

Arnhold and S. Bleichroeder, Inc.

George K. Baum & Company

Furman Selz

Alex. Brown & Sons Goldman, Sachs & Co.

PaineWebber Incorporated Wertheim Schroder & Co. Allen & Company

Gabelli & Company, Inc.

Pennsylvania Merchant Group Ltd

McDonald & Company

J. C. Bradford & Co.

Dillon, Read & Co. Inc. Lehman Brothers

Dean Witter Reynolds Inc.

Salomon Brothers Inc

A.G. Edwards & Sons, Inc. J.P. Morgan Securities Inc. Smith Barney Shearson Inc.

Robert W. Baird & Co. First Albany Corporation Kemper Securities, Inc.

Neuberger & Berman

Mabon Securities Corp. The Ohio Company Wheat First Butcher & Singer

PAINTS & THE **ENVIRONMENT:** AN INDUSTRY FIGHTS BACK The Figure 12 Times plans to publish this Survey on

It will be published from our pitot teatres in Tokya, Now York, Frankfurt, Roubett and London, It will be seen by thirf Executives and Government Officials in 160 countries worldwide. or full editural sympate and details a callable advertisement positions, please

FINANCIAL TIMES andre Buildings, Queen S Manchester M2 61,5 FT SURVEYS

JOINT PRIVATISATION OF auction dete, will be announced by the FIV.

THURSDAY, 25" NOVEMBER, 1993

BRIAN HERON T SH RISE Feel DEL SEZ 9841

fondo de inversiones de venezuela

C.A. ENERGIA ELECTRICA DE VENEZUELA (ENELVEN) AND C.A. ENERGIA ELECTRICA DE LA COSTA ORIENTAL (ENELCO) ente e um a la com recommendamentamentamentamentamentamente personale, en color de la color en color The Venezuelan Investment Fund (FIV) as coordinator of the Venezuelan investment rund (FIV) as coordinator of the Venezuelan privatisation process, announces the privatisation of C.A. ENERGIA ELECTRICA DE VENEZUELA (ENELVEN) and C.A. ENERGIA ELECTRICA DE LA COSTA ORIENTAL (ENELCO), in e joint Internetional auction. Two mayority blocks of shares will be offered, one for each company, consisting in e minimum of 79,97% and up to 89,97% of the capital base of ENELVEN and e minimum of 80% and up to 90% of the capital base of ENELCO. The buyers must make one bird for both companies.

must make one bid for both companies. The Venezuelan Investment Fund invites the participation of electric utilities, integrated or not, specialized in the areas of transmission, distribution end generation, as well as investors in general, who must form partnerships with the electric utilities. The formal prequelification requirements for the interested parties, and the

ENELVEN is e fully integrated electric company established more than 100 years ago. ENELVEN is located in the Zulia state and supplies energy to all the west coast of the Maracalbo Lake, including Maracalbo, the second largest city in Venezuele and where the company Is based. The company serves more than 290,000 residential, industrial and comercial subscribers. Its principal assets include five fossil fuel generating plants, with an installed capacity of 1,336 MW, 49 electric substations and more than 10,000 Kms. of transmission and distribution lines covering e service area of 41,000 Kms. The company is interconnected to the National power grid by two 400 KV lines and two 230 KV lines. In 1992 total sales were approximately 5,000 GWh.

ENELCO is also based in the Zulie state and covers the east coast of the Maracsibo Lake, where many of Venezuela's principal oil fields as well as important petrochemical facilities are located. ENELCO serves more than 75,000 subscribers in e total area of 8,250 Kms. It has e fossil fuel generating plant with a capacity of 40 MW. In 1992 total sales were approximately 1,146 GWh. ENELCO is fully managed by ENELVEN.

The Venezuelan Investment Fund has selected Bankers Trust The Venezuelan Investment Fund has selected Bankers Trust Company as its advisor to assist in this privatisation process. Bankers Trust will be working with the Venezuelan investment Fund in the execution of the strategic plen for the privetisetion, including the preselection of qualified potential buyers. Starting August 18th an Exacutive Summary, briefly describing the companies to be privatised, will be made evallable to investors at Bankers Trust-Company.

For further information please contact Bankers Trust Company:

Caracas: Leonerdo Riera , Vicepresident.
Telfs: (58-2) 262.1297/33.9842 Fax: 262.0172
Nueva York: Ettore Biagioni, Vicepresident.
Telf: (212) 454.4179 Fax: 454.5380
Carlos Conde Vicepresident Carlos Conde, Vicepresident. Telf: (212) 454.4178 Fax: 454.5482

FIV Nº 98



Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa) (Registration number 57/01979/06)

Highlights from the chairman's

In spite of disappointing conditions in the platinum group metal (PGM) and nickel markets, the financial year ended 30 June 1993 has been remarkably positive for the Implats group. The industrial unrest and technical problems of eighteen months ago have been left behind and the on-going process of technical advance and improving operational efficiencies have put the group in a position to survive and compete in the current market and to face the future from a more robust base.

Nevertheless, however improved the production performance, a reduction of 17% in total sales revenue per ounce of platinum, from R2 411 to R2 010, has reduced turnover by 2% and affected mining income by 37%. This has led to a reduced dividend of 140 cents per share compared to 170 cents per share in 1992. Principal features of the year were:

Platinum sales volumes were 17% higher than 1992, an all time record for Impala. Platinum revenues increased by 25%

Palladium production also reached new highs. The volume increase and a 14% increase in price resulted in 37% higher palladium

Rhodium volumes (the same as last year) reflect current metallurgical efficiencies. Sliding rhodium and nickel prices have negated the positive volume and price variances in platinum and palladium. This, a weakness in the gold price, and collapses in the ruthenium and iridium markets reduced sales revenue per ounce of platinum by 17%

Turnover was thus 2% lower than in 1992 at R2,2 billion, despite the volume increases

Gross costs were 10% higher due to increased levels of production and reduced levels of refined stock

Unit costs (per ounce of platinum) decreased by 9%

Income from the supply of metals mined was down by 37% to R375 million due to the lower revenues and higher costs

Income before lease, royalties and taxes, was 32% down at R342 million; royalties increased by 76% to R15 million, and tax by 10% to R99 million principally because of reduced capital expenditures

Attributable income decreased by 22% to R201 million

Net debt at year end of R120 million, represents an increase of R40 million over 1992, but R90 million lower than mid-year

A R54 million cash call by Eastern Platinum, and reduction in cash balances held by other subsidiaries have meant that Impala's own operations were cash positive

Expenditure by Impala on future productive capacity was dramatically curtailed to R77 million (1992: R297 million)

Capital expenditure to maintain current capacity was R81 million. Total capex was R157 million (R411 million in 1992)

A final dividend of 95 cents per share gives a total dividend reduced by 18% from 170 cents to 140 cents per share

R9,7 million was provided for the group for future pollution control, rehabilitation and closure obligations

The JSE listing of Barplats was terminated on 11 June 1993

No strikes or major disturbances occurred during the year under

review

In May acting chief Mr Mokgwaro George Molotlegi was appointed (as the nominated representative of the Bafokeng Tribe) to the impala Platinum Ltd board

Bafokeng North exceeded the previous all-time southern African record of 4,15 million fatality free shifts (previously held by Wildebeestfontein North).

We regret that eighteen employees died in accidents this year. Efforts to spread across all our operations the successful safe practices of Bafokeng North continue.

Restructuring and rationalisation have resulted in record levels of PGM production being achieved by 7 000 fewer employees than two years ago. Impala recognises with regret the social impact of retrenchment but sees no alternative to protecting the income base of the 40 000 employees who remain.

To reduce overheads the management structure at Bafokeng South was eliminated. Four mines have become three, with substantial cost savings forecast. This decision and further efficiency improvements at all the mines have resulted in a retrenchment programme for a further 2 000 employees being announced in June.

The literacy project has been impeded by the retrenchment programme and to meet the objectives of 80% literacy by the year 2000, annual training targets have been increased by 23%.

Housing projects, providing up to 4 000 stands and finance for employees, are at the stage where house construction on the first developed stands will start in September 1993.

The expansion target has been modified to 1,2 million ounces of platinum per year by financial year 1998. Upside potential to expand further remains and can be pursued if market conditions so dictate but this possibility is not part of the current projections. Capital expenditure will be funded without any significant increase in debt levels.

Immediate prospects are largely dependent on the variability in the rhodium price. While there are good reasons to expect a recovery in this commodity, it would be realistic to expect next year to be similar to or only slightly better than the year under review.

Michael McMahon Chairman 13 August 1993

H J Gaylard Group secretary 13 August 1993

Registered Office 3rd Floor Unicom House 70 Marshall Street, Johannesburg 2001 (P.O. Box 61386, Marshalltown 2107)

South Africa: Central Registrars Limited 154 Market Street, Johannesburg 2001 (P.O. Box 4844, Johannesburg 2000)

United Kingdom: Barclays Registrars Bourne House, 34 Beckenham Road Beckenham, Kent BR3 4TU

Turnover			
Cost of sales 1 839,2 1 671, On-mine operations 1 451,5 1 249, Refining activities 269,9 235, Other costs 36,6 82, Decrease in stock 31,2 103, Income from the supply of metals mined 374,7 592, Capital expenditure on current productive capacity 80,6 116, Income from platinum mining 294,1 476, Other income/(expense) 26,4 (7,7) Financial income 21,0 36,6 Income before taxation 341,5 505, Lease, royalities and tax 114,0 98,6 Income before taxation 341,5 505, Lease, royalities and tax 114,0 98,6 Income after taxation 184,6 227,7 Income after taxation 184,6 227,7 Income after taxation 184,6 227,2 Share of net income from associates 16,7 29,0 Outside shareholders' interest (0,6) (1,3) Approp	Consolidated Income Statement (Rm)	1993	199
Cost of sales 1 839,2 1 671, On-mine operations 1 451,5 1 249, Refining activities 269,9 235, Other costs 36,6 82, Decrease in stock 31,2 103, Income from the supply of metals mined 374,7 592, Capital expenditure on current productive capacity 80,6 116, Income from platinum mining 294,1 476, Other income/(expense) 26,4 (7,7) Financial income 21,0 36,6 Income before taxation 341,5 505, Lease, royalities and tax 114,0 98,6 Income before taxation 341,5 505, Lease, royalities and tax 114,0 98,6 Income after taxation 184,6 227,7 Income after taxation 184,6 227,7 Income after taxation 184,6 227,2 Share of net income from associates 16,7 29,0 Outside shareholders' interest (0,6) (1,3) Approp	Turnover	2 213 0	2 263 9
Refining activities 269,9 235, 0ther costs 36,6 32, 20, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 104,6 116,6 116,6 116,6 116,6 116,7 109,2 100,0 116,7 100,0 106,6 116,7 102,9 107,9 106,6 116,7 106,0 106,1			1 671,
Refining activities 269,9 235, 0ther costs 36,6 32, 20, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 103, 31,2 104,6 116,6 116,6 116,7 109, 32,4 176, 4 176, 4 176, 4 176, 7 104,0 108, 34,1,5 105, 36, 4 177, 7 104,0 36, 36, 36, 36, 36, 36, 36, 36, 36, 36,	On-mine operations	1 451.5	1 249.8
Decrease in stock	Refining activities	269,9	235,
Income from the supply of metals mined 374,7 592. Capital expenditure on current productive capacity 80,6 116. Income from platinum mining 294,1 476, Other income/(expense) 26,4 (7, Financial income 21,0 36. Income before taxation 341,5 505, Income before taxation 341,5 505, Lease, royalities and tax 114,0 98, Tax effect of expenditure on future productive capacity 42,9 179, Income after taxation 184,6 227, Income after taxation 24,7 24,7 Income after taxation 27,1 Income after taxation 27,2 Income after taxation 27,2 Income after taxation 27,2 Income after taxation 27,2 Income after taxation 2		86,6	82,
Capital expenditure on current productive capacity 80,6 116, Income from platinum mining 294,1 476, Other income/(expense) 26,4 (7. Financial income 21,0 36. Income before taxation 341,5 505, Lease, royalties and tax: 114,0 98,1 Tax effect of expenditure on future 114,0 98,1 Productive capacity 42,9 179,2 Income after taxation 184,6 227,7 Income after taxation 184,6 227,2 Income after taxation 184,6 227,2 Outside shareholders' interest (0,6) (1,4) Attributable income 200,7 255,6 Extraordinary items (14,3) 44,6 Appropriation for expenditure on future 17,1 17,2 Transfer to non-distributable reserves 42,6 13,2 Dividends declared 87,1 105,7 Retained income for the year 20,3 41,7 Examings per share (cents) 323 41 </td <td>Decrease in stock</td> <td>31,2</td> <td>103,4</td>	Decrease in stock	31,2	103,4
Income from platinum mining			592.0
Other income/(expense) 26,4 (7,7) Financial income 21,0 36. Income before taxation 341,5 505, Lease, royalities and tax: 114,0 93, Tax effect of expenditure on future productive capacity 42,9 179, Income after taxation 184,6 227, Share of net income from associates 16,7 29, Outside shareholders' interest (0,6) (1,4) Attributable income 200,7 255, Extraordinary items (14,3) Appropriation for expenditure on future productive capacity 34,5 117, Transfer to non-distributable reserves 42,6 13, Distributable income for the year 109,3 124,7 Dividends declared 37,1 105,7 Retained income for the year 22,2 19,0 Chares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 411 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 199 Consolidated shareholders' interest 2 556,6 2 408,7 Dutside shareholders' interest 2 556,6 2 408,7 Cong term liabilities 328,1 235,7 <td></td> <td></td> <td></td>			
Financial income 21,0 36,			476,
Income before taxation	Financial income		36.4
Lease, royalties and tax			
Tax effect of expenditure on future productive capacity 42,9 179,1 Income after taxation 184,6 227,2 Share of net income from associates 16,7 29,9 Outside shareholders' interest (0,6) (1,8 Attributable income 200,7 255,8 Extraordinary items (14,3) 255,8 Aportoriation for expenditure on future productive capacity 34,5 117,9 Transfer to non-distributable reserves 42,6 13,2 Distributable income for the year 109,3 124,0 Dividends declared 87,1 105,7 Retained income for the year 22,2 19,0 Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 41 Dividends per share (cents) 140 17 Consolidated Balance Sheet (Rm) 1993 1992 Ordinary shareholders' interest 2 556,6 2 408,7 Provision for environmental obligations 31,5 21,6 Ordinary shareholders' interest 232,1 235,0 <			505,3
179. 179.		114,0	98,8
Share of net income from associates 16,7 29,0 Outside shareholders' interest (0,6) (1,8 Attributable income 200,7 255,8 Extraordinary items (14,3) 255,8 Approportation for expenditure on future productive capacity 34,5 117,9 Transfer to non-distributable reserves 42,6 13,2 Distributable income for the year 109,3 124,7 Dividends declared 87,1 105,7 Retained income for the year 22,2 19,0 Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 417 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1992 Ordinary shareholders' interest 2 556,6 2 408,5 Provision for environmental obligations 31,5 21,1 Cong-term liabilities 328,1 235,1 Deferred taxation 66,4 27,6 Capital employed 3 158,0 2 868,3 Vixed assets 2 324,0 2 250,7 Net current assets 247,		42,9	179,1
Share of net income from associates 16,7 29,0 Outside shareholders' interest (0,6) (1,8 Attributable income 200,7 255,8 Extraordinary items (14,3) 255,8 Approportation for expenditure on future productive capacity 34,5 117,9 Transfer to non-distributable reserves 42,6 13,2 Distributable income for the year 109,3 124,7 Dividends declared 87,1 105,7 Retained income for the year 22,2 19,0 Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 417 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1992 Ordinary shareholders' interest 2 556,6 2 408,5 Provision for environmental obligations 31,5 21,1 Cong-term liabilities 328,1 235,1 Deferred taxation 66,4 27,6 Capital employed 3 158,0 2 868,3 Vixed assets 2 324,0 2 250,7 Net current assets 247,	Income after taxation	184 6	227 4
Outside shareholders' interest (0,6) (1,1) Attributable income 200,7 255,6 Extraordinary items (14,3) 255,6 Appropriation for expenditure on future productive capacity 34,5 117,9 Transfer to non-distributable reserves 42,6 13,2 Distributable income for the year 109,3 124,7 Dividends declared 87,1 105,7 Retained income for the year 22,2 19,0 Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 417 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1992 Ordinary shareholders' interest 2 556,6 2 408,0 Duside shareholders' interest 175,4 174,1 Cong-term liabilities 328,1 235,1 Deferred taxation 66,4 27,1 Capital employed 3 158,0 2 868,3 Vet current assets 2 324,0 2 250,7 Net current assets 247,2 127,6			
Extraordinary items Appropriation for expenditure on future productive capacity Transfer to non-distributable reserves 42,6 13,2 Distributable income for the year Dividends declared Retained income for the year 22,2 19,0 Shares in issue (millions) Earnings per share (cents) Dividends per share (cents) Consolidated Balance Sheet (Rm) Dividends per share holders' interest Provision for environmental obligations Deferred taxation Capital employed Tixed assets Net current assets Net current assets 14,3) 117,3 117,4 117,5 117,5 117,5 117,6 12,6 13,7 109,3 124,7 105,7 105,7 105,7 105,7 109,3 124,7 105,7 10	Outside shareholders' interest		(1,
Extraordinary items Appropriation for expenditure on future productive capacity Transfer to non-distributable reserves 42,6 13,2 Distributable income for the year Dividends declared Retained income for the year 22,2 19,0 Shares in issue (millions) Earnings per share (cents) Dividends per share (cents) Consolidated Balance Sheet (Rm) Drawing shareholders' interest Provision for environmental obligations Deferred taxation Capital employed Tixed assets Net current assets (14,3) 15,4 17,4 17,4 17,4 17,4 17,4 17,4 17,4 17	Attributable income	200.7	255.9
Appropriation for expenditure on future productive capacity 34,5 117,9 Transfer to non-distributable reserves 42,6 13,2 Distributable income for the year 109,3 124,7 Dividends declared 87,1 105,7 Retained income for the year 22,2 19,0 Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 417 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1992 Ordinary shareholders' interest 2 556,6 2 408,7 Druside shareholders' interest 175,4 174,8 Provision for environmental obligations 31,5 21,1 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,8 Capital employed 3 158,0 2 868,6 Fixed assets 2 324,0 2 250,7 Net current assets 247,2 127,6 Net current assets 247,2 127,6			200,0
Transfer to non-distributable reserves			
Distributable income for the year	productive capacity		
Dividends declared 87,1 105,7 Retained income for the year 22,2 19,0 Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 417 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1993 Ordinary shareholders' interest 2 556,6 2 408,3 Outside shareholders' interest 175,4 174,6 Provision for environmental obligations 31,5 21,1 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,8 Capital employed 3 158,0 2 868,3 Fixed assets 2 324,0 2 250,3 Investments 586,8 490,4 Net current assets 247,2 127,6	Transfer to noti-distributable reserves	42,6	13,2
Retained income for the year 22,2 19,0 Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 41 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1992 Ordinary shareholders' interest 2 556,6 2 408,0 Outside shareholders' interest 175,4 174,4 Provision for environmental obligations 31,5 21,1 Long-term liabilities 328,1 235,0 Deferred taxation 66,4 27,0 Capital employed 3 158,0 2 868,0 Cixed assets 2 324,0 2 250,1 Investments 586,8 490,4 Net current assets 247,2 127,6	Distributable income for the year		124,7
Shares in issue (millions) 62,2 62,2 Earnings per share (cents) 323 417 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1993 Ordinary shareholders' interest 2 556,6 2 408,7 Outside shareholders' interest 175,4 174,6 Provision for environmental obligations 31,5 21,1 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,1 Capital employed 3 158,0 2 868,7 Pixed assets 2 324,0 2 250,7 Investments 586,8 490,4 Net current assets 247,2 127,6	Dividends declared	87,1	105,7
Earnings per share (cents) Dividends per share (cents) Consolidated Balance Sheet (Rm) Ordinary shareholders' interest Outside shareholders' interest Provision for environmental obligations Consolidated Balance Sheet (Rm) Ordinary shareholders' interest Outside shareholders' interest Provision for environmental obligations Consolidated Balance Sheet (Rm) 1993 1992 2 408,3 2 174,4 2 174,6 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Retained income for the year	22,2	19,0
Earnings per share (cents) 323 417 Dividends per share (cents) 140 170 Consolidated Balance Sheet (Rm) 1993 1992 Ordinary shareholders' interest 2 556,6 2 408,3 Outside shareholders' interest 175,4 174,6 Provision for environmental obligations 31,5 21,1 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,6 Capital employed 3 158,0 2 868,7 Fixed assets 2 324,0 2 250,1 Investments 586,8 490,4 Net current assets 247,2 127,6	Shares in issue (millions)	62.2	62.2
Consolidated Balance Sheet (Rm) 1993 1993 Ordinary shareholders' interest 2 556,6 2 408,3 Outside shareholders' interest 175,4 174,4 Provision for environmental obligations 31,5 21,4 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,8 Capital employed 3 158,0 2 868,3 Cixed assets 2 324,0 2 250,1 rixed assets 2 324,0 2 250,1 nvestments 586,8 490,4 Net current assets 247,2 127,6	Earnings per share (cents)	323	411
Ordinary shareholders' interest 2 556,6 2 408,7 Outside shareholders' interest 175,4 174,8 Provision for environmental obligations 31,5 21,1 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,8 Capital employed 3 158,0 2 868,7 Pixed assets 2 324,0 2 250,1 Investments 586,8 490,4 Net current assets 247,2 127,6	Dividends per share (cents)	140	170
Outside shareholders' interest 175,4 174,8 Provision for environmental obligations 31,5 21,8 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,4 Capital employed 3 158,0 2 868,7 Pixed assets 2 324,0 2 250,1 Investments 586,8 490,4 Net current assets 247,2 127,6	Consolidated Balance Sheet (Rm)	1993	1992
Outside shareholders' interest 175,4 174,8 Provision for environmental obligations 31,5 21,8 Long-term liabilities 328,1 235,7 Deferred taxation 66,4 27,8 Capital employed 3 158,0 2 868,7 Pixed assets 2 324,0 2 250,7 Investments 586,8 490,4 Net current assets 247,2 127,6	Ordinary charaboldom interest	2 556 6	2 400 1
Provision for environmental obligations 31,5 21,1 Long-term liabilities 328,1 235,1 Deferred taxation 66,4 27,1 Capital employed 3 158,0 2 868,1 Pixed assets 2 324,0 2 250,1 Investments 586,8 490,4 Net current assets 247,2 127,6			
Deferred taxation 66,4 27,4 Capital employed 3 158,0 2 868,3 Fixed assets nvestments 2 324,0 2 250,3 Net current assets 247,2 127,6			
Capital employed 3 158,0 2 868,3 Pixed assets 2 324,0 2 250,3 Investments 586,8 490,4 Vet current assets 247,2 127,6	ong-term liabilities		235,
Fixed assets 2 324,0 2 250,1 2	Deferred taxation	66,4	27,
nvestments 586,8 490,4 Net current assets 247,2 127,6	Capital employed	3 158,0	2 868,1
nvestments 586,8 490,4 Net current assets 247,2 127,6	Synd accepts	2 224 0	2 250 1
Net current assets 247,2 127,6			
			127,6
	Assets employed	3 158,0	2 868,1

For and on behalf of the board

J M McMahon

M V Mennell

Director 5 4 1

Declaration of final dividend

A final dividend of 95 cents per share in respect of the year ended 30 June 1993 has been declared payable to members registered in the books of the company on 3 September 1993. The register of members will be closed from 6 to 17 September 1993, inclusive. The dividend is declared in the currency of the Republic of South Africa. Payments from the United Kingdom transfer office will be made net of non-resident shareholders' tax in United Kingdom currency at the rate of exchange ruling on 20 September 1993 or on the first day thereafter on which a rate of exchange is available.

Dividend warrants will be posted on 30 September 1993.

The full conditions of payment may be inspected at the offices of the transfer secretaries of the company.

By order of the board

Implats Services (Proprietary) Limited Secretaries

Transfer Secretaries

INTERNATIONAL COMPANIES AND FINANCE

Standard Chartered to appeal on **US** ruling

By Andrew Jack

STANDARD Chartered, the UK-based international banking group, is to pursue its legal case against accountants Price Waterhouse in connection with the firm's audit of United Bank

In a statement issued yesterday, Standard Chartered said it had filed a notice of appeal in Maricopa County, Arizona, against the decision by a state superior court judge to overthrow a \$338m jury verdict against Price Waterhouse.

Judge John Sticht had last

December granted Price Waterhouse's motion for a new trial in July 1992 after ruling that the verdicts were inconsistent. His judgment overturned a verdict in May last year after an 11-month trial which found ainst the firm on seven out of eight charges

That left Standard Chartered with the options of appealing against the decision, pursuing a new trial or entering discussions for an out-of-court settle-

The bank hrought a lawsuit against the firm in 1988 alleging that Price Waterbouse failed to identify and report "material deficiencies" in the loan portfolio and internal controi systems of United Bank of Arizona, and that its audits for 1985 and 1986 were negligent. Standard Chartered bought United Bank in 1987 for \$335m. It made heavy losses and was sold 18 months later to Citicorp

Securities houses in joint venture

for \$207m.

JIH SUN Securities, the Taiwan securities bouse, has formed a joint venture with Seapower Financial Services of Hong Kong. AP-DJ reports from Tainer.

The venture will engage in cross-trading and investments between Hong Kong and Taiwan. Seapower Group is one of Hong Kong's five largest securities companies,

Toys 'R' Us sales advance 5.5% in second period

in New York

SALES at Toys 'R' Us, the US toy retailer, grew by 5.4 per cent in the second quarter of the year to \$1.3bn, despite a fall in sales inside the US due to a lack of any big-selling new products during the quarter. Net earnings in the period

rose by 8.5 per cent to \$35.5m, or 12 cents a share, from \$32.7m, or 11 cents, a year earlier. This reflected a switch in sales towards higher-margin products and better control of inventory, said Mr Charles Lazarus, chairman and chief executive.

While sales in the US fell by nearty 2 per cent and the Kids 'R' Us clothing stores also saw lower sales due to bad weather, turnover in Europe grew and the company said it was pleased with its new stores in Austria and Japan.

The improvement in margins should be sustained in the secand half as sales of computer game software pick up, said Ms Dorothy Lakner, an analyst at Oppenheimer in New York.

First-half net earnings of \$70.9m, or 24 cents a share. were up from \$61m, or 21 cents, in the first six months of 1992. Sales in the same period rose by 7.5 per cent to \$3.6bn.

and from Mr Murdoch, who

recently bought 64 per cent of Star, the satellite broadcaster.

The company plans to reap

greater yields from its film

library hy launching its own satellite TV service next year.

interim dividend of 15 cents a

share, compared with 12.5

• The directors of Hong Kong

department store operator Sin-

cere Company, who awarded

themseives HK\$115m (US\$14.9m) in remuneration,

against net profit before

extraordinary items of HK\$47m, yesterday agreed to repay a HK\$67m bonus fee. The

navment had been approved by

shareholders at the annual

meeting, but was criticised by

Mr Walter Ma, chairman,

believes the fees were fair and

reasonable. However, be said

that "with a view to maintain-

ing the good name of the com-

pany", the directors had volun-

sold its headquarters huilding

reaping a HK\$1.08bn extraordi-

During the year the group

teered to repay the fees.

the financial community.

cents in 1992.

The directors declared an

HK TV broadcaster posts profits up 27%

By Simon Davies

TELEVISION Broadcasts, Hong Kong's leading television company, announced a 27 per cent increase in net profit to HK\$163.5m (US\$21.08m) for the six months to June 1993, up from HK\$128.3m in 1992.

Turnover was up only 8.5 per cent to HK\$871.5m, and the company said the earnings growth came from more efficient allocation of production resources and more aggressive marketing, However, international programme licensing revenues continued to be hampered by piracy from illegal Taiwanese cahie TV operators.

TVB is controlled by Sir Run Run Shaw and Malaysian tycoon Mr Robert Kuok, who attempted to sell a 22 per cent stake to Mr Rupert Murdoch in July, only to be thwarted by Hong Kong's television ownership restrictions. Mr Murdoch was interested in accessing TVB's library of Chinese language programmes.

TVB faces competition with the launch of cable television in Hong Kong on October 31,

metal prices weaken By Philip Gawith in Johannesburg SOUTH AFRICA'S Impala Platinum, the world's second-

largest producer, is cutting its dividend by 18 per cent to 140 cents per share in the year to June as weak metal prices caused attributable income to fall by 22 per cent to R200.7m (\$59.70m).

Impala cuts

payout as

The weak financial results disguised a considerable improvement in group operating performance. Mr Michael McMahon, chairman, said the group had left behind the tech-nical and industrial relations problems of 18 months ago. "The on-going process of

technical advance and improving operational efficiencies have put the group in a posttion to survive and compete in the current market and to face the future from a more robust base," be said.

Although the group achieved record production ievels, a 17 per cent reduction in the total sales revenue ner ounce of platinum to R2,010, caused turnover to fall by 2 per cent to R2.21bn from R2.26hn. Mining income dropped by 38 per cent to R294.1m from R478.1m.

Increased production and tight cost control saw nnit costs fall by 9 per cent. This followed retrenchment measures which saw the labour force decline by 18 per cent - 8,000 people - between December 1991 and June this

Capital expenditure was curtailed drastically to R157m from R411m in 1992. Impala is now planning only a modest production increase, to 1.2m ounces a year by 1998 from 1.1m ounces currently. There is no immediate prospect of the Barplats or Messina operations being reopened.

Mr McMahon said future performance would depend largely on movements in the rhodium price. He said "it would be realistic to expect next year to be similar to or only slightly better than the year under review".

Broker gets a lifeline from Daiwa

Emiko Terazono examines the Japanese bank's purchase of Cosmo

rities - the schedule for which is due to be announced today - as a wholly natural move.

The two institutions are former operations of Nomura Shoten, a money exchanger set up by Tokushichi Nomura in the iate 19th century. "They are like brother companies," says an official at Japan's ministry of finance. Mr Hiroshi Nakano, presi-

dent of Cosmo, said the com-pany had posted extraordinary losses of Y69.8hn (3682m) due to its tobashi deals, or shuffling of one client's account to another to avoid realisation of investment losses. "The only way for Cosmo to survive is to come a subsidiary of Daiwa." Cosmo has a negative net worth of Y7.1bn, and its capital adequacy ratio had plunged to a negative 280 per cent. Daiwa will inject Y70bn to Y80bn through share purchases.

The situation is a clear embarrassment to the ministry of finance and the Securities and Exchange Surveillance Commission, Japan's securities watchdog set up last year. Cosmo said it had found out

the authorities. The ministry took action against Cosmo over a number of separate tobaski cases late last year. The SESC, which had investigated the broker, had failed to uncover the crippling

Although Mr Hirohisa Fujii, finance minister, last waek claimed Cosmo's operations were unrepresentative of other small brokerages, many analysts suggest that Cosmo could be the tip of the iceberg. The ministry has started an investigation of 48 brokerages to look for irregular sheet trading.

The rescue will leave Daiwa with more than 50 per cent of Cosmo, making it the first bank to own a stock brokerage affiliate. The anti-monopoly law prohibits banks from hold ing more than 5 per cent of a company, but in Cosmo's case this ruling has been waived. From April. Japanese banks have been allowed partial entrance into the securities industry.

Ministry of finance officials say that the axception was made because the stock markat is still fragile and the economy

AIWA Bank sees its about the tobashi deals early has yet to recover. This does rescue of Cosmo Seculast year, but had not informed not mean we will not let a single broker fail," said Mr Sobei Hidaka, director-general of the ministry of finance. But some analysts assess that Daiwa's acquisition of Cosmos may accelerate the pace of deregula-tion of the barrier between the country's banking and securi-ties industries.

The government drew up plans in the late 1980s to allow banks into the securitles industry. The move met with fierce opposition from Japan's stockbrokers: and the recent weakness of the stock market has tended to slow the banks' entrance into the business.

owever, the govern-ment's decision to allow Daiwa to rescue Cosmo through acquisition comes as brokarages, espethe smaller houses which depend on commissions from retail operations for revenue, are in dire need of financial help as trading volume on the stock market has plumged Cosmo itself posted a pre-tax loss of Y150m for the first four months to July.

In the near-term, the Cosmo hail-out is likely to place a

heavy financial hurden Oh Daiwa, which will need to pump in additional funds for the hroker's restructuring Moody's Investors Service, the US credit ratings agency, yes-terday said it was placing Daiwa Bank under review for a possible downgrade.

Longer term, however, sil that could change. According to Mr David Marsh, analyst at IBCA, the banking credit agency. Daiwa is in an exciting position with trust banking, commercial banking and brok-

ing as its three main operations. Investors on the Tokyo stock market remained calm, with the leading Nikkei average moving ahead yesterday. A Cosmo spokesman said while some individual investors had cancelled their accounts, most corporate investors remained undeterred.

Japan Credit Research Agency is reviewing its J-2 rating of the commercial paper and Triple-B-Minus rating of convertible bonds of Cosmo Securities, AP-DJ reports from Tokyo Japan Bond Research institute also is reviewing Cosmo for possible downgrad

NEWS DIGEST

Pacific Dunlop reshapes pact

PACIFIC Dunlop, tha Australian industrial group, has restructured its joint ven ture marketing and distribution agreement with Adidas, the German sporting goods maker, writes Bruce Jacques

in Sydney. Under the new arrangement Pacific Dunlop will hold a 51 per cent interest in a new joint venture which will take over and expand a licensing agreement held by the company for

Adidas products since 1974. Mr Philip Bass, Pacific Dunlop managing director, said yesterday the new joint venture would significantly improve competitiveness for the Adidas business.

"The joint venture will allow the Australian business to source independently key prod-

ucts specifically for the Australian market which currently are not in Adidas Germany's international range," he said.

Peerless chief warns on impact of Nafta

PEERLESS, one of North America's biggest carpet groups, will probably manufacture in Mexico if the North American Free Trada Agree-ment is approved, and shift its US and Canadian mills to more specialised products, writes Robert Cibbens in Montreal.

Industry over-capacity would mean that an upsurge in Mexican production would take some years to materialise, but "there is no mistake about the implications of Nafta." Mr Bram Carber, chairman, said after the annual meeting.

In the US, Peerless was gaining market abare and conditions were improving slightly, he said. But in Canada, the

market continues to be soft and Peerless is rationalising its distribution system. Peerless will reduce losses in

the current quarter ending August 31, and return to profitability in the third quarter, Mr. Garber added.

In fiscal 1993, it lost C\$5.2m (US\$4m) on sales of C\$490m.

Australian publisher turns in A\$62.8m

WEST Australian Newspapers. the publishing group, made a net profit of A\$82.8m (US\$42.6m) for the year to June, writes Bruce Jacques. The dividend is 22 cents

Colgate increases stake in Indian wine

COLGATE Palmolism is paying. \$25m to lift its shareholding in its Indian business to 51 per

cent from 40 per cent, writes R.C. Murthy in Bombay. The US group will purchase 11.93m shares of Colgate Pal-molive India. The Indian conpany plans a scrip issue and

will also make a one-for-10 rights issue at Raio a share. Colgate is the leader of Indian toothpaste market with 80 per cent share, but lags Himdustan Lever and Procter and Gamble in personal products and fabric care items.

Seibu Saison plans to list hotels chain

JAPAN'S Seibu Saison group. led by supermarket operator. Seryn, will list its whollyowned Intercontinental Hotels Chain (IHC) in either New York or London in two or three years, Reuter reports from Tokye. Saison will spin of IHC's hotel operating and property management arms into two units and list the former.

Akzo nv Registered Office at Arnhem

Report for the 1st half year of 1993*

Consolidated statement of income		iory-June
Millons of guilders	1993	1992
Net sales	8,362,9	8,754.7
Operating costs	(7,809.1)	(8.039.6
Operating Income	553.8	715.1
Financing charges	(116.6)	. (129.4)
Operating Income less financing charges	437.2	585.7
Taxes	[126.7]	(184.4)
Earnings of consolidated companies from normal		
operations, after taxes	310.5	401.3
Earnings from nonconsolidated companies	43.8	32.7
Extraordinary items	(41.1)	1,2
Earnings before minority interest	313.2	435.2
Minority interest	(3.3)	(11.1)
Net Income	309.9	424.1
Net income per common share of Hfl 20, in guilders	6.73	9.22
Common stock, in thousands of shares	46,056	45,996

Net sales		iary-June	Operating income	Jone	ory-June
	1993	1992**		1993	1992
Chemicals Group	2,948	2,922	Chemicals Group	180	217
Coatings Group	2,039	2,140	Coatings Group	103	131
Fibers Group	1,700	2,062	Fibers Group	21	111
Pharma Group Other activities and	1,675	1,640	Pharma Group Other activities and	269	265
Intercompany deliveries	1	(9)	nonallocated Items	(19]	(9)
Total	8,363	8,755	Total	554	715

The data included in this report are unaudited.
Starting in 1995, results in hyperinflation oswitches are accounted for by a procedure designed to eliminate the effect on Sales, operating income, and financing charges. Operating income and financing charges are thus uniformly reduced in addition, interest costs for pension and similar provisions are no longer charges to operating income but accounted financing charges. Neither change affects net income. The figures for the first six months and the second quarter of la have accordingly been restated for comparison.
Set December 31, 1992.

Sales and incoma Net income before extraordinary items for the second quarter of 1993 was Hfl 180 mil-

lion, down Hfl 37 million from last year's corresponding quarter. With extraordinary Items Included, net income was Hfi 152 million, compared with Hfi 218 million in the second quarter of 1992. Operating income was Hfl 275 million versus Hfl 370 million. The contribution from the Pharma Group was up slightly; operating in-come for the other Groups was significantly lower. On the whole, results in Europe were lower than last year. Higher figures were achieved in the United States.

Net Income for the first half of 1993 was Hfl 310 million, compared with Hfl 424 milllon for the prior-year period. Net income per common share was down from Hfl 9.22 to

Sales of Hil 8.4 billion for the first half of 1993 were 4% down from last year's first half. Divestments and currency translation effects each caused a 2% drop. Volume and average selling prices on balance were very nearly the same as in the first half of 1992.

half of 1993 was 6.6% of sales, compared with 8.2% last year. The margins for the second quarter were 6.6% and 8.5%, respectively. Civen the continued recession in Europe, we

expect that it will be difficult for us to match

last year's figure for net income before extra-

At Hft 554 million, operating income for the first

ordinary items for the second six months Amhem, August 4, i 993

The Board of Management

Copies of the complete report may be obtained from the London Paying Agents: Barcloys Bonk PLC. Stock Exchange Services Department, 168 Fenchurch Street, London EC3P 3HP and diona Securities Sevice, Suffolk House, Paying Agency Section, S Laurence Pountney Hill,

The report for the 3rd quarter of 1993 will be published on November 3, 1993

HALLWOOD HOLDINGS S.A. Societé anonyme Registered office: Luxembourg, 14, rue Aldringen R.C. Luxembourg B-13,142

Notice to Shareholders

Notice to the holders of warrants at bearer issued in relation with the 15% Guaranteed Notes due 1994 issued initially by Stanwick Corporation S.A. (presently Hallwood Holdings S.A.)

An extraordinary general meeting of shareholders of Hailwood Holdings S.A. (the "Company") of 5 July 1993 has decided to amend the Articles notably on the following points:

- The corporate capital and share-premium account of the Company have been reduced and each shareholder who has not prior to the date of the Company's general meeting made known his intent to receive socurities in kind is now entitled to an amount of 5 x USS 3.8735, being USS 19.37 per reclassified entire share.
- The number of shares in issue has been divided by five and each bolde of a bearer share certificate representing old shares is invited to present same at Sanque Générale du Luxembourg in order for the bearer share certificates which shall now represent each one fifth of a share of the Company to be stamped. The holders of bearer shares may also convert these free of charge into
- registered shares for which fractions of shares may be issued. In case the number of former bearer shares does not allow for a division by five, fractions of shares may either be converted to registered shares or presented for redemption which will be effected by the Company at the estimated value of the shares as per the audited consolidated accounts at March 31, 1993.
- The Company will proceed to the payment of their pro rata amount of the reduction of capital and share-pretoium reserve account to registered shareholders by cheque sent to their latest verified address and, to respect of bearer shares upon presentation of the certificates in view of their stamping.
- After September 30, 1993 only stamped bearer share certificates shall
- 6. The holders of the 90 warrants issued in 1984 in relation with the Issue of the Guaranteed Note due April 30, 1994 are informed that, pursuant to the division by five of the total number of shares issued by the Company the latter has agreed with the Agent (Interallianz Bank Zürich AG, Studthausquai 1, CH-8002 Zurich, hereafter the "Agent") representing the warrantholders to an addendum to the agreen overning the condition of exercise of these.

Each lot of five warrants will, as from now on, entitle to the subscription of 1,209 shares of the Company at the agreed exercise price of 25% below the consolidated net value per share as at April 30, 1994 as certified by the statutory auditor.

The holders of warrants the number of which cannot be divided by five are informed that the Agent is at their disposal to, during the exercise period from April 30 through May 30, 1994, assist in the presentation of lots of free warrants to the Company in view of their exercise.

By order of the Board

ARROW VENTURES N.V.

NOTICE OF REPURCHASE OF SHARES

August 12, 1993

On behalf of the Board of Supervisory Directors of Arrow Ventures N.V. (the "Company"), we are pleased to provide you with notice of an offer by the Company to repurchase up to 728,213 of the Company's 3,149,865 outstanding shares of one U.S. cent par value each (the "Offer"). The Offer is open to all holders of shares of the Company registered in the Register of Shareholders of the Company at 12 noon on July 30, 1993 (the "Record Date").

Pursuant to the Offer, the Company offers to repurchase a maximum of 728,213 shares at a price of U.S.\$ 13.53 per share (the "Purchase Price") payable in cash. The Purchase Price represents the net asset value per share as reflected in the unaudited accounts of the Company as of June 30, 1993.

If you desire to accept this Offer, you should lodge with Caribbean Management Company N.V. ("Caribbean") at John B. Gorsiraweg 6, P.O. Box 3889, Willemstad, Curação, Netherlands Antilles, share certificates representing your shares of the Company and you should indicate the number of shares tendered by you for repurchase by the Company. Said share certificates must be received by Caribbean on or before 12 noon (local time) on September 15, 1993. If more than 728,213 shares are validly tendered by the shareholders, Arrow Ventures N.V. shall repurchase 728,213 on a pro rata basis according to the aggregate number of shares validly tendered by each shareholder. If fewer than 728,213 shares are validly tendered by the shareholders, Arrow Ventures N.V. shall repurchase all shares tendered.

The repurchase price payable by the Company in respect of such repurchased shares will be paid by check drawn on the Company and made payable to you or your order posted at your risk together with a receipt and the balance of your share certificates to your address recorded in the Register of Shareholders not later than September 22, 1993.

You should ascertain from your professional advisors the consequences to you of accepting this Offer under the relevant laws of the jurisdiction to which you are subject, including the tax consequences and exchange control requirements, if any.

ALLIANCE - LEICESTER

\$50,000,000

in accordance with the Feoms and Conditions of the Notes, notice is hereby given that the Race of Interest for the Twenty-Free Inter-

Interest for the Twenty-First Inner-ers Period from Lich August. 1993, to 11th November, 1993, bes been fixed at 6.81875% per annum. Inter-est psyable on 11th November, 1993, will amount, no 5371.87 per 510,000 principal amount.

Benkees Trust Company, London Agent Be

Residential

071 873 4935

insted Variable Rate Notes 1998

CARIBBEAN MANAGEMENT COMPANY N.V. Managing Director of Arrow Ventures N.V.

NOTICE OF PREPAYMENT



Crédit Commercial de France USS 250,000,000 Floating Rate Notes due 1994

in accordance with paragraph Optional Rademption of the Descrip-

oon of the Notes, notice is hereby given that Credit Commercial de France will prepay, on August 31, 1993, all the Notes remaining constanding (i.e. USS 49.500,000) at 100% of their principal arriount. Payment of interest due on August 31, 1993 and rambursement of principal will be made in accordance with the Terms and Conditions of the Notes.

Interest will cease to accrue on the Notes as Irom August 31, 1993

Lurembourg, August 17, 1993



URBAN DEVELOPMENT

notial Times plans to publish this Survey on THURSDAY. 21st OCTOBER, 1998

It will be poblished from ou

centres in Tokyo, New York, Frankfurt, Boubeix and London, It will be seen by Chief Executives and Covernment is in 160 countries

For full editorial synopsis and details of

BRIAN HERON Tele: 061 534 9381, Par.: 061 529 9348

FINANCIAL TIMES

FT SURVEYS

Property PRIVATE **ADVERTISERS** please contact -Sonya MacGregor Floating Rate Subordinated
Notes due 1997
For the six months 16th August,
1993 to 16th February, 1994 the
Notes will carry an interest rate
of 5.25% per unnum with a
coupon smaller of U.S.
\$268.33 per U.S. \$10,000
Note, payable on 16th Febtuary, 1994. Bankers Tenst Company, Lond ECU 350,000,00 Kingdom of Belgium Floating Rate Notes due 1999

Banco Di Napoli

U.S. \$150,000,000

Issued in two tranches of ECU 200,000,000 (lat tranche) ECU 150,000,000 (2nd tranche) For the period from August 17, 1993 to November 17, 1993 the Notes will carry to interest rate of 7%5 per annum with an interest rate of 75% per annum with an interest amount of ECU 1,980.56 per ECU 160.000 Note. The relevant interest pay be November 17, 1993.

Agent Bank: Banque Paribas Luxe nomy me

Land to the state of the state





INTERNATIONAL CAPITAL MARKETS

BELGIUM

GANAD4

CENT. ASK

ITALY

HETHERLANDS

US TREASURY

SCU French Govt

No 119 So 157

Aug 9

123.7 142.9

US sentiment positive in wake of bullish data

In New York and Sara Webb in London

2.5

......

LONGER-DATED US Treasury securities continued to post solid gains yesterday morning as sentiment in the bond market remained positive in the wake of recent bullish data.

By midday, the benchmark 30-year government bond was up % at 9913, yielding 6.320 per cent. At the short end of the market, the two-year note was unchanged at 100%, to yield 3.964 per cent.

GOVERNMENT BONDS

Bonds firmed from the opening, although traders said the gains were more a reflection of the lack of selling rather than the presence of heavy buying.

The morning's economic news had little impact upon prices. Tha 0.4 per cent increase in July industrial production was in line with forecasts, although the rise in capacity utilisation to 81.5 per cent was smaller than expec-

Analysts said that the data confirmed that the manufacturing economy remains subdued, and that overall growth

this year will struggle to break 2 per cent.

Otherwise, the main feature of the day was some technical yield curve-flattening trades, which involved buying longerdated Treasuries to shrink the gap between yields at the long and short ends of the market. The long bond was also helped by the fact that last week's auction of \$11bn 30-year bonds will be the last such auction until next February.

W UK GOVERNMENT bonds. which ended last week on an enthusiastic upbest note, came down to earth yesterday, with longer-dated issues closing nearly % point lower.

Friday afternoon saw a sudden rally in gilt prices following an announcement by tha Bank of England that it would not be holding a gilt auction this month.

There had been plenty of speculation last week that the Bank might still hold an auction in August, even though it is well ahead with the government's borrowing programme: the announcement that this month's auction would not take place helped to boost the market and the Liffe gilt futures contract closed at 113.09 on Friday.

Howevar, the euphoria did

Aug 18 Aug 13 Aug 12 Aug 11 Aug 10 aug 1 High Low 102 10 101.83 101.71 101.93 101.05 88.60 102.10 123.81 122.86 122.56 122.31 121.63 105.15 123.81 utues 15/10/26: Fixed Interest 1928. curden high since completeen: 12/40 (61/75), leve 49.18 (2/1/75) ngleton: 123.81 (16/5/90), low 50.53 (2/1/75)

FT FIXED INTEREST INDICES

GILT EDGED ACTIVITY Ang 13 Aug 12 Aug 11 GR Edged Margains 117.4 5-Bay average 128.4 • SE activity brokes rebased 1974 117.4 132.1 130.8 not last in yesterday's trading tract, which opened at 97.56.

as the market appeared to be overbought, and the futures contract touched a low of 112.29 before trading at around 113.00 by late afternoon. One economist pointed out that, even though the Bank is not holding an auction this month, the market could still

see further new supply, albeit in tap form. The market's main focus of attention this week is likely to be the Retail Price Index figure, which is expected to show a rise to about 1.4 per cent in July, compared with 1.2 per cent in June. The RPI will be announced tomorrow

■ GERMAN government bonds fell sharply in afternoon trading, partly due to beavy selling by US investors.

quickly rose to its high of 97.63 yesterday morning and then drifted for much of the day. But heavy selling in the afternoon took the futures contract down to a low of 97.15 where it ended the day.

Bund market participants expect the Bundesbank to

announce its M3 money supply

figures for July sometime this

However, dealers warn that the figures are likely to be dis-torted because of heavy intervention by the central bank during the recent bout of currency turmoil.

JAPANESE government bonds ended lower on the day, despita the combination of a strong yen and a fall in money The bond market started off

prices on Friday bad been overdone. The yen reached a new post-

war high against the US dollar of 101.10 in Tokyo trading and strengthened still further to 100.80 in the London trading session. But dealers said the yen's strength did little to boost the bond market. In the money market, the

on a relatively firm note as some market participants believed that the sharp fall in from 3.0 per cent on Friday. The Bank of Japan did little to mop up excess liquidity, dealers said, raising expectations that the central bank may cut its Official Discount Rate fairly

BENCHMARK GOVERNMENT BONDS

9.000 03.03 :11.9000 -

7 500 12:03 :05.7750 +07:40

8 000 05 TH 106 2000 -0.325

8.000 CETTE 108 9341 -0 015 8.500 04 02 1:5.2560

6.503 07-63 101.6150 -0.299

7.000 02:03 105,4200 -0.010

10.200 06.00 1047777 -0 000

5.750 2203 (03-16 (11/32 5.250 03/23 29-0: -13/32

London closing, "General New York morning setting".

Tights: Local market standard of Gross annual yield judding withholding last at 12.5 per cert payable by non-readents.)

Proces: US, LiK in 22nds, others in decimal Technology Display ATLAS Arico Sources

9,060 84,62 161,7363 -

7,250 02/98 9,000 06:00 9,000 10:08

4 800 CE-99 104,5625 +0.048 3.77 4 500 CE-73 102,1365 +0.007 4.18

102-26 -1/32 107-28 -5/32 115-06 -7/32

 Outpoin
 Date
 Price
 Change
 Vield
 sigo

 9.500
 03.03
 119.6436
 40.148
 6.84
 6.86

11.500 03:00 116.0750 -0.080 10.041 10.38 10.98

7.10 7.07 7.02

6.82 6.75 7.16

634 639 851

3 63

6.22 6.20 6.34

9.47 9.60 10 22

6.28 6.39 6.71 8.88 7.07 7.46 7.32 7.50 7.85

5.68 5.91 5.68 6.32 6.48 6.54

6.87 7.01 7.19

Yields: Local market standard

5 77 5.79 6 34 6.44

6.98

7.09

The December futures contract, which opened at 111.31, rose to a high of 111.43 and closed at 110.90, only slightly down from Friday's close of

Copenhagen SE to launch money market future

By Hilary Barnes in Copenhagen

THE FIRST money market future to be launched on the Copenhagen stock exchange will be introduced on September 22, the fifth anniversary of the star: of the futures and options market there.

The Guarantee Fund for Futures and Options announced that the new future will be based on the threemonth Cibor (Copenhagen interbank offer rates, the interest rate at which banks and savings banks are able to deposit kroner uncollateralised for three months with a prime

The introduction of a money market future will mean that Copenhagen can offer lnvestors, including foreign investors, a full range of futures and options, which already exist for government bonds,

record amount of treasury

reports from Sbanghai. The planned value of 1994

bond issues is Yn60bnto

Yn70bn (\$10.4bu to \$12.2bn),

more than double this year's

Daily quoted a senior finance

Beijing plans record

1994 treasury issues

long-term mortgage bonds and the KFX index of most-traded

The contract size for the Cibor futures will be DKr5m. with maturities of three and six months.

Settlemeut dates will be two business days before the third Wednesday in March, June, September and December which are also known as the international money market

When the Cibor futures are successfully launched, we will consider launching options on Cibor futures and maybe also other money market instru-ments," said Mr Tyge Vorstrup Rasmussen, chief executive officer of the Guaranteee Fund. Schmalbach-Lnbeca, that packaging arm of German utility group VIAG, is increasing the size of its commercial paper programme to DM400m from the original DM250m.

The Liffe bund futures conrate on three-month certifi-Strong demand for C\$1bn global offering from Quebec

By Antonia Sharpe

THE INTERNATIONAL bond market had a fairly active start. to the week as the Province of Quebec launched its previously-announced C\$1bn global offering to good demand. Syndicate managers expect new bond issuance to remain buoyant in the coming days.

A spokesman at the joint lead manager, Merrill Lynch, said that strong investor interest, especially from North America and Europe, enabled Quebec's 10-year bonds to be priced to yield 68 basis points above the yield on the Canadian 7% per cent Treasury due

The pricing of the offering came at the lower end of the yield spread target of 66 to 70 basis points. The bonds were freed to trade yesterday afternoon and were bid at their reoffer price of 98.813. In addition to Luxembourg,

Quebec's global offering has listings in Hong Kong and Singapore for the first time, to recognise the growing interest among Pacific/Asia investors for bonds which are traded

internationally.
The World Bank also included Hong Kong in the list-ing of its \$100m three-year deal, for the same reason as Quebec.

INTERNATIONAL BONDS

Yesterday's offering from the World Bank gives investors an opportunity to increase their return if Italian interest rates fall during the life of the

The initial, semi-annual coupon on the bonds will be 2 per cent. Thereafter, the coupon, which is paid in dollars, will pay 11.5 per cent minus six-month lire Libor; which stood just below 9 per cent yester-

We believe that Italian interest rates will go a lot lower," said a spokesman at the lead manager, Morgan Stanley, which has arranged similar deals in various currences for private placement in the past. He added that the borrower bad bedged itself against this eventuality.

Investors in Pacific/Asia had shown a particular interest in the offering and around half of the bonds already sold had been placed in that region, the spokesman said. The bonds were re-offered at their issue price of par and were not freed to trade by yesterday after-

In the same sector, Cemex. the Mexican cement company, launched a \$120m seven-year offering which completes its \$650m Euro medium-term note programme. A spokesman at the lead manager. Citibank,

NEW INTERNATIONAL BOND ISSUES

Borrower US DOLLARS	Amount m.	Coupon %	Price	Maturity	Fees	5pread bp	Book runner
Cernexial World Bankt	120 100	104 (b)	99.74R 100R	Aug.2000 Sep.1996			Critical International Morgan Stanley Intl.
CANADIAN DOLLARS	100	750	09 0130	04: 3003	A 26D	.60 (71.0.02	All meh/ Consisted and

Final terms and non-callable unless stated. The yield spread fover relevant government bond) at launch is supplied by the lead manager, pRouting rate note, #Semi-annual coupon, fit fixed the offer price; feet are shown at the re-offer level, at 15% withholding tax applies, by Coupon pays 4% annual (6.2%) on 13/2/94 and 11.5% - 6-month Like Liber (in 5) thereafter of Global issue, Short 1st coupon, An additional C\$100m was issued to Coupon de Depot et Placement de Quebes.

said that most of the bonds were placed with US investors but that there had been interest from Europe and Japan. US investors are keen to buy Latin American bonds because their higher yield.

Cemex's bonds were priced to yield 311 basis points above the yield on the 8.75 per cent Treasury of August 2000. The pricing reflects the steady tightening of yield spreads for Latin American Issuers over

The bonds were freed to trade yesterday and were quoted at par bid, up from a re-offer price of 99.74.

• The European Bank for Reconstruction and Development (EBRD) bas set up an Ecuibn global commercial paper programme under which it may issue commercial paper in the US and in the international bond market.

The EBRD plans to draw on the multi-currency facility at

the start of September, Ms Veronique Pellan, part of the bank's funding team, said. She added that proceeds from the programme will be

used to replace existing bank loans and for casb management and short-term bedging purposes. With regard to the EBRD's longer-term borrowing programme, Ms Pellan sald that the bank has almost

completed its 1993 funding

target of Ecu900m.

BEIJING plans to issue a deposits to bail the government out of its immediate bonds next year. Renter financial crisis.

total of Yn30bn, the Jiefang

ministry official as saying. in all. Yn30bn of 1994 bonds will be sold through provinces and localities. These bonds may be traded on the secondary market, the paper said. Another Yn30bn would be bought by state-owned "spe-cialist" banks and would not be traded, while Yn10bn would be paperless scrip for Issue on

the primary market. At present, state banks bold virtually no bonds, depriving the Beijing of a powerful tool to regulate the economy.

However, the official made it clear that state-owned banks are being asked to buy bonds not for the state to use as an instrument of economic control

but to utilise the banks' buge

The newspaper gave no

details of the coupon rates for next year's bonds. Three-year bonds issued this year carry a coupon of 13.96 per cent and five-year bonds 15.86 per cent.

The 1993 bond issues flopped because coupon were set unrealistically low and were swamped by inflation. In addition, many individual investors chased opportunities in the booming stock and property markets and were lured by spectacular returns from unauthorised enterprise bonds.

Beijing was twice forced to raise 1993 coupons. In the end, the issues were forced on local governments with a threat to stop provinces from listing shares on China's stock markets until the bonds were sold. After extending the deadline

for selling the bonds. Beijing said last month that they had been sold. The authorities are increasingly relying on-bonds to balance the budget.

MARKET STATISTICS

		FT/ISMA INTERNATIO	nal bond service		RISES AND FALLS YESTERDAY
	Listed are the leases internecional bonds	tor which there is an edocume recond	ry markyt.	Lagest prices at 7:00 pm on August 19	Rises Falls
:	U.S. DOLLAR STRANGATS ABN 91-94 Albertsfrowince 91-95 Austria 61-2 00 Berisk of 70-990 01-95 Berisk of 70-990 01-95 Berisk of 70-990	100 1003, 1054, 43, 4.96 250 11712 11775, 41, 5.45 150 1005, 1004, 44, 5.42 000 1045, 1004, 44, 5.42 000 134, 133, 4, 7.66 1500 1104, 1104, 4.56 1000 1104, 1074, 4.56	OTHER STRAGETTS Arbed 7½ 00 LFT Canfiences Lins 9½ 39 LFT World Bark 0 38 LFT Saysk Voor Ned Gent 7½ 02 FT Frengte Behere 8½ 98 FT Abbetts/Profest 10½ 98 CS Bell Canada 10½ 92 CS Bell Canada 10½ 92 CS Bell Canada 10½ 98 CS EB. 10½ 98 CS		British Funds:
	COCE 914 95 COUNCIL Europe 6 96 COUNCIL Europe 6 96 COUNCIL Europe 6 98 COUNCIL Europe 712 99 COUNCIL EUROPE 712 91 99 COUNCIL EUROPE 712 914 95 COUNCIL EUROPE 712 914 915 COUNCIL EUROPE 712 914	1624, 4823, 1444, 144 0000	Ford Credit Canada 16 94 C5	275 1107 1115 44 7.45 100 1035 1045 8.10 300 1084 1085 44 8.72 400 1134 1134 45 7.61 200 1124 1134 45 7.58	
	68.74 86	193 106% 108% -% 5.15	Orderic Hydro 107, 98 CS	150 113 1133 +1 7.46	LONDON RECENT ISSUES EQUITIES
	Eito de Frence 9 98	100 1104 1114 4.58	Council Europee 9 01 Ecu	200 1134 114 +3 7.37 1250 106 1064 6.50 1100 1113 1124 +3 7.04 125 1043 1055 +4 6.98	times Archit Latest 1993 South Closing or high Com-
	First Figure 24, 90 Ford Mater Credit 64, 91 Gen Blec Canital 93, 96 Gen Blec Salada 93, 96 Gen Bk Japan Fin 77, 97 Finer Amer Det 73, 96	325 165 1054 4.47 100 1104 1114 4.58 500 1121; 1124 4.4 8.11 130 1164 11154 4.4 8.11 130 1164 11654 4.4 8.11 130 1164 11654 4.4 8.11 130 1164 11654 4.4 8.11 130 1165 10654 4.4 8.53 1500 1004 10254 4.4 8.75 200 1085 10954 4.4 8.75 200 1085 10954 4.4 8.84 1500 1054; 10554 4.4 8.84 1500 1054; 10554 4.4 8.88 1500 1144; 1154 4.4 3.88 1500 11212; 1131 4.4 3.83	Ferro del Stat 101g 48 Ecu Baly 101g 00 Ecu Baly 101g 00 Ecu United Ningdom 91g 07 Ecu Artic 19 90 45 Ecu United Ningdom 91g 07 Ecu Artic 19 90 45 Ecu	1000 117 11779 7.41 1000 108 1084 6.54 2750 1123 113 44 6.88 100 1135 1144 7.07 100 1135 1144 49 8.37	120 F.F. 147 125 Salarutá 140 140 150
,\ E	Italy 612 94 Lopan Dev 88 83-01 Karesal Elec Pwr 10 96 L108 Fin 3 97 Matsushta Elec 74: 02 New Zosland 9 94 Majoon Ced Bk 103-95 Majoon Fed Fed 103-99 Ontario 73-103 Ostor Kontrollians 83-2 61 Pegro-Commis 74-98 Ousboc Hydri 93-99 Ousboc Prydr 93-99 Ousboc Prydr 93-99	200 107% 108% +% 5.4% 5.4% 1000 108% 108% 108% +% 5.39 850 105% 105% +% 3.7% 150 105% +% 3.7% 100 107% 107% + 4.85 200 107% 107% + 4.85 200 107% 107% + 4.85 200 107% 107% + 4.85 200 107% 107% 107% + 4.85 200 107% 107% + 4.85 200 107% 107% + 4.85 200 107% 107% + 4.85 200 107% 107% + 4.85 200 107% 107% + 4.85 200 107%	RSW (1988by 280 0 20 49 48 58 58 58 58 58 58 58 58 58 58 58 58 58	1000 13% 13% 7.86 128 100% 100% 44 7.40 150 100% 100% 44 7.55 150 119% 110% 44 6.55 100 110% 111 5.85 100 110% 131 5.85 100 114% 114% 5.85 150 134% 135 48 812 837 110% 1135 113 8.82	100 F.P. 107 64 Meniver Errs 14-8 105 107 107 107 108 108 109 10
		300 1125 1135 +3 5.80 150 1104 1104 -3 5.58 200 114 115 -5 6.96	HSBC Holdings 11.86 00 2	153 1293 1293 +3 6.36 400 1223 1223 114 8.23	FIXED INTEREST STOCKS
	SAS 16 95 SAS 16 95 SAS 85 95 SAS 85 95 Super 65 95 Su	700 10012 100 4.85 300 1105 11114 +18 4.84 200 2007 11014 +18 4.86	Hellier (10 to 97 £	500 11114 11117 44 7.17 153 1294 1294 45 6.36 400 12214 1224 114 8.36 200 1084 110 113 8.39 100 1187 110 113 8.39 100 1087 1081 44 7.51 150 1184 1184 1194 47 75 150 1214 1215 44 7.38 100 807 613 70 15 1124 1125 48 5.89 100 807 613 70 15 1124 1125 48 5.89 100 807 613 70 15 1124 1125 136 48 6.12 3000 1084 1077 48 6.12 3000 11864 1177 48 6.12 3000 11864 1177 48 6.12	New Area Laber 1980
	Holter Kingdom 7% 02 World Bank 8% 99 World Bank 8% 97	200 110% 111% 44 4.84 200 109% 110% 44 4.86 1500 161 101% 44 5.36 3000 1684 1885 44 8.08 1500 112% 112% 44 4.89			68 - 8000 6000 1074 1075
	DESTRUCTE MARK STRAKERTS AUSTRIA 57, 97 Bengham 74 02	500 100 100 h 5.86 500 100% 107% 6.00	Bency Rome 0 99	200 98.29 69.44 3.3438 500 100.04 100.14 8,0000 350 98.81 98.97 3.2500	
	Degmark 91 ₈ 98 Degmark 91 ₈ 98	2000 997 100 8.16	Bitchem & 87 DM SF-CE -0.02 06 Britannia D. 18 98 5 COCE 0 06 Eau Criticory Bits 1 98 Credit Fornier -6 98 Fornier -6 98 Sec us Franco 1 98 Fornier -6 98 Findand 6 97 Findand 1 98 Findand 0 98	190 99.50 99.46 161825 200 99.85 100.31 5.2500 200 100.42 100.47 5.0000 300 100.07 100.55 5.0030 1000 99.55 69.55 5.0030 1000 99.67 99.56 5.0030 400 101.96 102.50 5.2500 401 99.43 99.73 3.2573 1000 99.80 99.80 5.5000 356 99.94 100.01 6.0025 000 95.65 99.78 3.400 2000 100 100 100.00 3.4400 2000 100 100 100.00 3.4400	Right's OFFERS
•	SIMISS FRANC STRAIGHTS .	100 109 ¹ 2 116 ¹ 2 5.15	Halfy 4, 95. Leade Permanent 1 _a 95 E Leyde Sank Perp S 0.10 Stalispite 4, 05 Matthomatic 0 00 00 E Here Zealand 1 _a 95 Rente 0 96 Societe Centerate 0 95	250 100.00 100.19 3,4320	on Prior at a procedure. If frice otheres to cutofic.
	Justini Dev Bank 6 10 Coursel Europe 43, 58 Coursel Europe 43, 58 Coursel Europe 43, 58 Coursel Europe 474, 56 Coursel Motors 71, 55 Coursel Motors 71, 55 Coursel Motors 71, 57 Coursel 73, 50 Coursel 73,	250 107½ 102 4 4.37 300 11275 113 5 5.24 100 115% 176 +½ 5.51 300 113½ 114 4.67 100 103¼ 104 -½ 5.34 100 108 109 6.21 100 108 109 6.21	State Bit Wickers U.Us SW	1500 98.98 100.05 3.3125 4000 99.90 99.95 3.1250	For other index please rains to the Guide in the Lumbrá Share Service.
	New Zastand 4% 99	100 113 114 534 240 10812 110 4 99 200 10014 1014 4.71 400 108 10814 5.15	CONVENTIBLE BONDS IN Browning-Farts 63, 05	400 52 ¹ 2 99 ⁵ 6 100 ⁵ 6 250 55 119 ¹ 2 120 ¹ 8 11.20	TRADITIONAL OPTIONS
	Onterio 84, 00 O. Quigos Hydro S 08 SNDF 7 04 SNDF 7 04 SNDF 7 04 SNDF 7 05 SNDF 7 07	100 984 982 2-17 450 1163 11612 5.04 150 1004 +4 4.85 600 1134 1134 +14 4.86	CHILD ESIGN ROOK 83 01 Sold Kalegorife 712 00 Harton 83 00 E Land 85cs 84 02 E Land 714 05 E	500 50.57 11812 11812 40.73 65 1.0554 11815 11115 457.50 500 2.5875 11815 117 418.32 400 18.1 132 73316	First Dealings Last Dealings Last Dealings Last Declarations For settlement Aug. 9 Calls: Anglo Pacific Rev (BSR), Coverdale, GBE in Nov. 11 Son. Wis., Medeva, Mos Nov. 22 Bros., Serco, Shanks &
	Beiglam 5 99 Denmark 7 95 E16 8 ³ a 00 Elac de France 5 ⁵ a 96	75000 1023, 103 4.49 40000 1083, 1003, 3.32 100000 1113, 112 3, 4.52 20000 1055, 1083, 3.72 50000 1054, 1087, 3.77 50000 1154, 1157, 4.457 50000 1154, 1154, 4.47 50000 1154, 1154, 4.44 50000 104 1044, 4.44 50000	Michel Bank 29 03 Meurit ka Fin 612 97 Doding 90 Smith Nephaw 4 00 5 Smith Nephaw 4 00 5 Sundiction Fank 316 04 Sun Allamete 74 00 5 Sun Allamete Allameter Allame	85 39.077 94% 95% 162.96 90 1.775 1321 1331 163.43	3-month call rate indications are Standard Chart, and YR shown in Saturday editions. Ratners and Transfer Tech
	Finish 64 9 74 00 Inter Amer Dev 74 00 Japan Dev St. 5 99 Japan Dev St. 5 99 Japan Dev St. 67 2 07 Mapon Tel Tel 54 96 Sport 64 DO Sport 64 DO	100000 104 1042 4.58 120000 1124 1129 4.58 50000 107 1074 3.46 50000 1025 1027 3.43 30000 1124 1124 4.56 20000 1044 1042 3.55	Tesses hashuments 14, 02	200 2.51 120/2 121/2 439.37 300 827/3 105/4 108/4 414.39 103 7.10 128/4 130/4 -0.60 day/a pace pace	FT-SE ACTUARIES INDICES The PT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices and the FT-Si Industry Bushets are calculated by the International Stock Bachange of the Unite and Republic of Ireland Limited. C The International Stock Eachange of the Unite and Republic of Ireland Limited 1863. All rights reserved.
٠,-	Sweden 5% 95 World Bank 64 00 STRAIGHT BONDS: The yield is the V FLOATING RATE NOTES: Description		mount leaved to in millions of currency us Coupon shown to minimum. Spring-M	nite, Chg. day-Change on day. Targen above six-month offered rate (t	the first account country in the first and first reserved. The first accounts All Share index is calculated by The Financial Times Limited too with the Institute of Accounted and the Farally of Accounted. C The Financial Limited 1998, All rights reserved. The FF-SE 102, FF-SE Will 200 and FT-SE Accounted the indices, the FT-SE

				Lt	FFE	EQU	ITY	OPTION	\$			
Option		NLS In Apr (PUTS let Jan A	for Ob	Dod .		CALLS Feb	May Nov Feb May	Option		CALLS Dec Mar S	PUTS icp Doc Ma
Alled-Lyons (*590)				••	Aero 52 I	400 59 460 371 ₂	741 ₂ 54	82 21 33 41 ¹ 2 63 40 52 ¹ 2 52	Eurotyste/ (*456-1	460 28 500 11		17 36 ¹ 2 - 43 59 ¹ 2 -
Argyti	900 21 30 300 34 35			14 BA	T insty	450 36	5012	- 312 1512 -	Giang (*521 1	500 3S 550 11	47 831 ₂ 26 431 ₂ 36	8 2912 43
r324) ASDA	330 15 57 71 ₂	22 26	17 24½ 27 3 -	12 54	70 1	475 23	35	- 2015 52 ₁ 5 -	Hillsdown	160 732	14 19 6	12 13 16
(*61 1	67 3		6 -	- 811		390 2012			(191) Lombo			21 25½ 28 ½ 7½ 11½
					99 1 Telecom		15 311- 1	16 3i 34 38 37 10i 2i 2i 2i 2i	(*1.76) HSBC 750 sh6	130 41 ₂ 750 321 ₂	72 15 ¹ 2	8 13 16 ³ 2 8 36 55 ³ 2
int Allowanc 1350 1			14 22 lg lg 30 lg .	74	29 1 Dury Sch	460 8	1312	18 3412 4012 4212	(769 1	800 612		84 82
600 Sohm 4 *430:)	420 31 2 41	1 49h 13	12 24 1	25 "4	72 1	460 29 500 101 ₂		44 1512 2112 7912 25 39 44 5112	Nati Power 1'357 }	330 29 360 84 2	41 44 Zl ₂ 27 ¹ 2 1	7 7 11 2 19 23 ¹ 2
louts	480 1312 460 2912	37 4612 12	l ₂ 19 3	35	tem Bec	500 4613	55	61 75 15 18	Houters		103 137 29 77 111 62	g 68 89
473 1	500 912 17	12 27 33	12 41 12 46	°2 (°5)	101	550 18	2812 3	412 301: 38 41	Rolls-Royce	140 2212 2	512 29	1 6 912
P	300 15 72			18 (4	roness	500 12	21 2	712 41 47 12 5412	F159 } Scot Power	160 71 ₂ 300 59 6		2 15 17 ¹ 2 2 2 3
1300) Intish Steel	330 4 10 110 131 ₂ 16		5 812 10		18 1	330 291 ₂ 360 12	1712	91 ₂ 51 ₂ 10 12 23 191 ₂ 24 26	(*349 1 Soms	360 9 ¹ 2 2		2 16 24
117 }	120 8 13 480 42 50			16 27 Heri	1001	240 2012 3	2315	26 542 915 12	[*111] Forte	120 15	4 612 10	13 14 15 4 11 15
485 1	500 1712 27		7 4212	48 (*25	i5 1	260 9 130 131 <u>.</u>	13 1	41, 141, 19 22 21 61, 12 15	[-23] [240 512 1	242 1942 14	2 22 28
ate 5 thre	BDJ 55	72 87 15	12 2712 33	. ru	23 1	140 812 1	131 ₂ 1	612 1512 1912 2012	1 armac (*145 1	140 111 ₂ 10 160 3	6 13 161	4 12 15
833) ourtaids	850 29 4		38 50 5	7 1	as inds 4	140 301 ₂ 3	1.	81 ₂ 81 ₂ 8 12 15 18 181 ₂ 21	Thorn EMS (*934)	900 48% 74	41 ₂ 851 ₂ 81 41 ₂ 551 ₂ 371	2 20 ¹ 2 31
564 1	600 111 ₂	22 XP12 41	l ₂ 40 5	ž _{Pa}	0	650 35½	51	56 2912 39 52	TSB 1*205 1	200 11		5 912 1412
कारत (क्रांका 1635)	629 30 677 8	45			4 1 ington	700 1412 2	19	38 63 70 62 22 512 912 1112	Tomkine	220 14	23 2712	4 94, 14
				F14	3 1	160 70 ₂	912 1	212 16 27 12 23	1°228 1 Vazi Reets		13 18 15 17 -	2 21 241 ₂ 5 70 -
KIT 505)	500 221 ₂ 550 51 ₂		?! - i8 -	- L.33	dendral (4.)	330 12 1	181: Z	21, 16 21 1, 13 39 6 81, 14 11, 194, 221, 281,	1°573 1 Welcome	80 5 800 531 ₂	12 - 1 72 8442 54	
) 679	657 4612 61 681 J1	1 1 18 - 25	5 2312 15 34	- - RT2		650 59	74	81 10 ¹ 2 16 23	(*642]	650 3012 43	12 6612 2	49 5712
ngtisher 668	650 3512 52	l ₂ 651 ₂	9 27 3	2 (68	7	700 271 ₂ 550 35 4	44 5	DI: 31 37 4412 56 2712 34 4712			MDEX (*3008	
Ma I	706 1112 3	39 47	2 3- 30	(*56	21	600 14	27	34 57 12 63 7612 412 1812 2212 2312	2825 29 CALLS	575 2925 29	75 3025 307	5 3125 3175
nd Secur 570 1	650 481 ₂ 50 700 14 25	1 ₂ 62 1	2 22 28	¹ 2 [*33	51	360 31 ₂	ġ	21 4212 4312 40	Aug 183 13		8 7 1 6 37 16	1 ₂ -
MAS & S MED 1	360 22 78	2 36 8	2 15 1	7	& New	420 46		- 612	Oct -		- 64 43	
Tillest.	460 28 39	5 21½ 25 2 44½ 12	2 16 27	1744	0 1	460 201-	191: 3	- 2212	Dec 250 Mar † -		- 108 - - 150 -	
70 1	500 91, 3	7 25 3	8 42 5	(.53	d 1 atone	220 221 2 240 12 500 47 5	19 81 5 6	24 16 7415 2712 712 1412 24 2812	PUTS Aug 3 1	h 2 61	2 30 71	121 -
binstoury*		5 53 h	7 1412 181	2 152	5 1	550 201 ₂ 3 330 221 ₂ 3	31:	40 3012 49 5312	Sep 6	9 15 2	9 50 61 3 91 -	
91 1 NJ Trans.	650 Z's 3	0 41 23 ¹ 19 44 1	7 24 3	E 1"34	01	360 812 1	Øl ₂	21 32 3512 41	Dec 30		- 90 - - 130 -	138 -
62 1 Percusa		17 22% 511 21 24%	0 IJI2 1	5 6 Opti	on	Nov .	Jan /	lpr Nov Jan Apr				
225	240 6 11	2 1512 201	2 25 2	7 BAA		750 50 800 29 3	63 7 53. 4	51 ₂ 14 21 28	2800 26	FT-SE INDE 250 2500 280	20 3000 308 20 3000 308	3100 3150
व्यक्तिक	101 1112	51		_ That	nes Wir	500 38 ¹ 2 4	215	912 3512 44 43 51 10 1412 1712 512 3712 41 44	CALLS Aug 209 15	59 109 6	1 17 2	1 1
105 t		7712 271	2 38 514	6						70 126 8	5 51 27	12 5 34 -
1005) Meca		1 ₂ 471 ₂ 5	6 68 794 4 321 ₂ 461				Dec A	39 6 14 22	Nov - Dec † 270	- 174	- 121	95 35 72 -
660 j ption	700 8 21	2 28 5	S Feb Ma	7 139	91	120 4 1	512 T	31 ₂ 24 301 ₂ 371 ₂	PUTS	- 130		
rand titet	420 44 5	3 58 51		34	1	30 41 ₂ 35 11 ₂	3 ¹ 2 4	12 3 412 514	Aug 1 Sep 4	8 13 2		100 150 100 150
452 i Moraka	460 171 ₂ 281 200 151 ₂ 221	2 35 211	2 33 3 1 161 ₂ 221	1000		460 29 4 500 81 ₂		54 5 14 30 N ₂ 251 ₂ 34 421 ₂	Oct 10 Nov 18 2	- 22 3 7 35	5 52 -	- :
206 1	220 512 1	3 1512 3	4 2812 341	2	Circle :	260 264	32	39 3 11 ¹ 2 15 ¹ 2	Dec † 28 Jun † 68	- 18	- 85 -	130 -
al Bismuts 384 1		9 3112 2		2 1'29	0)	90 12 2	Ol2	39 3 11½ 15½ 28 9 21 25 1½ 2½ 6½ 11	August 16 Total		3.777	
ption			t Dec 141	→ C32					Calle 12,909 Pt F7-SE Index Ca	#s 2,855 Pu	as 4,067	
172 j	160 201 ₂ 231 180 9 1	3 1612 1	0 2112 241	2 Dbss	ms i	20 124 2	14	19 12 2312 26 112 712 15 1912 20 2012 26 3012	Euro FT-SE Call			noire mits.
									Premiums show			
		FT	ACT	UAR	IES I	IXE	0 1	NTEREST	INDIC	ES		
							П	AVERAGE GROSS		Mon	Fri	Year
		PRICE	MEDICE	.s 			L	REDEMPTION YIELD	A3	Aug 16	AUG 13	(ebbcor)
		Mon	Day's	Fri	Accrued	भ्यं अयु	١.	British Government	5 years	6.36	6.35	8.55
		Aug 16	change	Aug 13	Interest	1993 to date	2	Coupous	15 years	7.15	7.15	8.86
			-	-13	_	.o sale	3	(0%-73 ₄ %) Medium	20 years.	7.28 6.48	7.29 6.46	8.86 6.39
	Geverament years (25)	129.11	+0.02	129.68	1.66	7.40	6	Coupons	15 years ~	7,29	7.28	9.06
1 '	esis (23)	165.62	-0.02	155.66	1.82		6 7	10%-10%%) High	20 years	7.37 6.66	7.37 8.87	8.99 9.62
	5 years (9)	174.90	+0.04	174.84	1,94		8	Coupous	15 years	7.51	7.51	9.26
1	mables (8)	204.39	+0.42	203.52	3.09	7.35	9	11%- tredeemables Fait Yiel	20 years	7.54 7.43	7.54 7.46	9.16 9.13
S All SEX	3cs (63)	151.20	+0.01	151.19	1.80	8.04	10	at choose anges (Line 11c)		125		

		FT	ACT	UAR	ES F	IXE)	NTEREST	INDICE	S		
		PRICE	MDICE	9			AVERAGE GROSS REDEMPTION YIELDS			Mon Fri Aug Aug 18 13	AUG	Year 3go (approx.)
		Mon Aug 16	Day's change %	Fri Aug 13	Accrued Interest	vd adj. 1993 to date	2		5 years 15 years 20 years	6.36 7.15 7.28	6.35 7.15 7.29	8.55 8.86 8.86
_	British Government Up to 5 years (25) 5-15 years (23)	129.11 165.62	+0.02	129.08 155.66	1.66 1.82	7.40 8.59	456	Medium Coupons (0%-10%%)	5 years	6.46 7.29 7.37 6.66	6.46 7.28 7.37 8.87	6.39 9.06 8.99 9.62
3	Over 15 years (9)	174.90	+0.04	174.84 203.52	1,94	7.32 7.35	9		5 years 20 years	7.51 7.54 7.43	7.51 7.54 7.46	9.26 9.16 9.13
-	All stocks (63) Index-Linked	151.20	+0.01	151.19	1.80	8.04	Ť	Index-Linked Infation rate 5%	Up to Syrs.	2.79	2.78	4.23
7	Up to 5 years (2) Over 5 years (11)	180.98	-0.03 +0.12	186.03 180.77	0.29	3.41 3.20	13	Inflation rate 5% Inflation rate 10% Inflation rate 10%	Over 5 yrs. Up to 5 yrs. Over 5 yrs.	3.31 2.07 3.15	3.32 2.05 3.16	4.52 3.43 4.32
4	All stocks (13)	180.61	+0.10	180.44	0.76 1 %	7.62		Debs & Loans	5 years 15 years 25 years	7.60 8.16 8.31	7.96 8.25 8.38	10.70 10.41 10.27

Move to selling by mail order being considered

Argos jumps 38% to £13.2m

ARGOS, the catalogue shopping group, said yesterday it was examining a "number of options" for diversification and hinted that a move into direct mail order selling might be a possibillty.

Argos' venture into furniture retailing through its Chesterman chain proved to be a costly error as customer demand failed to meet expectations, and Chesterman was closed in March. But Mr Mike Smith, chief executive, said the company was still keen to extend its retail activities into areas "consistent with our

If Argos failed to find a suitable opportunity for expansion or acquisition it had not ruled out redistributing some of its cash reserves to shareholders in the form of bigher dividends, he added,

His comments came as the group revealed a 38 per cent rise in interim pre-tax profits to £13.2m_ Mr Smith said the company

had seen a fragile recovery in consumer confidence and total sales in the 24 weeks to Juoe 19 were up 10.3 per cent to

Stripping out the effect of

WB Inds

cuts losses

to £795,000

WB INDUSTRIES, the West

Bromwicb-based spring maker whose shares were suspended

at 10p last November, reduced

pre-tax losses for the year to

December from £1.86m to

Turnover fell to £6.99m

Losses per share were 12.38p

against 70.83p after an extraor.

Its recovery "will be slow, taking two to three years to

return to profit next year, it

dinary charge of £3.65m.

£795.000.

(£9.67m).

and cashflow."

increase was 5.9 per cent. Mr Smith said much of this increase was due to "manage-ment initiatives, including the conversion of its remaining "Best Sellers" stores, which

previously carried only a lim ited range, to a full range, and changes to its catalogue. Last year's pre-tax figure of £9.5m included a £2.25m loss at the Chesterman furniture chain. Excluding that loss, the profit increase was 11.9 per

Although profits were in the mid-range of analysts fore-casts of hetween £12m and £14m, the share price stipped 10p to 328p.

Analysts said the City was worried that Argos faced higher costs, and pressure on lts gross margin.

Mr Smith said the gross margin last year increased by 0.25 percentage points, thanks to increased sales of higher mar-gin items such as furniture and However, he admitted that

owing price competition in UK retailing would "drive gross margins down".

The interim dividend is lifted to 2.35p (2.2p), while earnings rose from 2.08p to 2.93p.



Mike Smlth (left) with Bob Stewart, finance director: a further store openings are planned this year, taking the total to 322

Interest income fell slightly due to lower interest rates, but this was partly offset by an increase in average cash bal-ances to £112m (£89m).

Mr Smith said Argos planned to open a further 25 stores this year, taking the total to 322. It has an eventual target of about

Sotheby's hits \$19m on back of sales boost in Europe and US

(\$9.05m).

(Dalest)
(D-Mark)
(Col)

SOTHEBY'S Holdings, the auction house, more than douhled pre-tax profits from a recession-induced low of \$9.09m to \$19.1m (£12.6m), in the six months to June 30. The group is controlled by the Detroit-based Tauhman

family but is still quoted in London and New York. Mr Michael Ainslie, presi-The company said it still relied heavily on bank support. dent and chief executive offi-cer, ascribed the profits advance both to the rise in the auction sales volume in Europe see the property assets contri-buting materially to profits and the US and to the increase in the buyers' premium. Previously, buyers and sell-The spring business should

ers were charged 10 per cent of the hammer price on all lots sold; since January 1, buyers

1410.5 187,433 19 553

Halii Honduras Hong Konj Hungary

Japan Japan Jordan Kenya Kangat Korea Nor Korea Sor Kurwat

1806.63 1899.8 3.2636 8.5166 295.583 13.3566 4.601

3.5434 83.2767 2403.4 1.5906 0.5864 1.0479 8.8657 7.0429 102.897

6 593 0.2201 83 2767 23.4001 1.1708 1.1708 1.77.17 6 593 18.3278 2.529 1.4467 48.0379 48.0379 177.17 13.7062 14.7852

0.3476 591.329 177 173 177 173 63.5764 177 173 2508.79 0.4433 6.3043 17.3826 4.1358 1.62.298 1.5806 7.6103

4052.9 2.6654 0.9688 1.7671 1.4599 11.8766 173.518

initial £30,000 of all purchases and thereafter 10 per cent, Operating income from auctions leapt to \$17.4m (\$6.41m) on revenues of \$114.5m (\$101m). Pre-tax income from auctions totalled \$19m

Also real estate profits grew to \$1.36m (\$913,000). However, income from financial services declined to \$1.45m (\$1.82m) "principally due to the lower revenues associated with a smaller loan portfolio", which bas been reduced in line with the general economic as well as art market condi-

operating Corporate expenses swelled to \$3.06m

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (nounded) against four key currencies on Monday, August 16, 1993 , in some cases the rate is nominal. Market rates are the average of buying and setting rates except where they are shown to be otherwise, in some cases market rates have been calculated from those of foreign currencies to which they are used.

13.2585 2.5025 971.44 1.00 346 40 10.3500 1.9555 8.6575 1.4840 8.4565 1190.0 7325 6

Free rate; (b) Sanknote rate: (c) Commercial rate: (d) Controlled rate; (d) Essential importer (d) Financial rate: (d) Engance (d) Buyon pale; (d) Luny goods, (m) Market rate; (d) Public transaction rate; (d) Official rate: (b) genterential rate; (d) commercial rate (d) preferential rate; (d) commercial rate (d) public transaction rate; (d) Controlled rate; (d) commercial rate (d) pale; (d) Solida (d) preferential rate; (d) commercial rate (d) pale; (d) Solida (d) Public (d) Publ

11,8463 6,7375 7 6664 94,6091

64.6219 1.4599 2.1226 796.125 0.7975

14,0459 59:94 0 4073

cents to 21 cents per Auction sales were ahead 31

per cent at £418m, or 12 per

cent at \$635m allowing for a \$40.5m reduction for adverse currency exchange rates. The renewed activity bad come from both huyers and sellers, said Mr Ainslie. This time 40 lots were sold

last time. Impressionist and Modern art increased sales from \$72.4m to \$135.5m, with one painting hy Cézanne -Nature Morte: Les Grosses Pommes - fetching a record

for more than \$1m, against 33

Jewellery also saw "significantly improved sales".

Sp.mr Sparsch Ports II Alinea Sr Lamba Sucran Rep Sucran Rep Surransch Swereland Swereland

63.9326

ADT hit by absence of exceptional income

By Peggy Hollinger

ADT, the security and vehicle anctions group which recently completed a \$1.25bn (£830m) restructuring, yesterday reported a 9 per cent decline in Interim pre-tax profits to \$68.7 on net sales marginally higher at \$678.8m.

The decline over the six months to end-Jnne was largely due to the absence of exceptional gains which had flattered 1992's profits hy \$15.5m. At the operating level, ADT reported a 9 per cent

increase to \$97.6m. Net income fell by 20 per cent to \$58.4m, after an £8m rise in the tax charge to \$10.3m.

Mr Michael Ashcroft, chairman, said the successful con-clusion of the refinancing earlier this month meant the group now had "a stable long-term financial structure which will allow the group to continue to develop its two

The security services divislon showed a 7 per cent increase in operating income to \$69.9m on sales 2 per cent higher at \$452.9m. The strongest advance was made in the residential business, with sales 38 per cent ahead of the

previous year. Profits from the vehicle auctions division rose by 8 per cent to \$42.1m on sales 2 per cent higher at \$182.2m. Mr Ashcroft said vehicle sales had risen in both the UK and US in the second quarter. In the US, sales were 4 per cent higher. In the UK, higher prices due to a supply shortage left volumes per cent up.

Primary earnings per share fell from 57 cents to 45

cents. ADT also announced yesterday that it intended to redeem lts ontstanding exchangeabla redeemable preference shares at the end of next month. Mnre than 90 per cent of the total bad already been exchanged for BAA shares, the group

The redemption value of the preference shares was \$10.6m. If exchanged into BAA shares, the stock would be worth approximately \$19m.

3.5687

140.431 46.0137 12.6535 1.7621 3.3322 2.2547 2.2547 2.2547 2.2549 5.4549 5.4549 1.1557

24 1725 8 6750 19 9240

8.8675 1173.87 218.16

29.065 0.9893 0.971 1709.17 202 26.7313 0.6686 1.772 18008.7 177.667 0.9893 3.5306

\$.9116 782.54 145.4 2.637 5.916 5.916 2.637 1588.63 202.583 5.025 537.167 1 572.328 118.618 118.618 2558.67

1173 87 3.5856 0.6066 0.9883 1.631 718.567 1586 83 91.3656 10377.1 0.9693 0.9693

16,115 8.45 13,2826 4386687 434.6 8.4998

703.616 2.1492 0.3996 0.593 2.35689 71.0689 54.7652 62.00.02 6.593 1.50593 1.50593 7.9616

RTZ Pillar up for sale to help focus on mines

By Kenneth Gooding, Mining Corresponden

UNTIL YESTERDAY, the RTZ Corporation had never publicly admitted that the diverse group of companies gathered together under the RTZ Pillar banner was up for sale.

Yet for years it has been clear that there was no place for Pillar if RTZ - as it promised - was to concentrate on its core busines RTZ's strategy is a simple one: it wants a sbare in as many of the world's top-class mines as possible – and Pillar's motley collection of

downstream industrial products certainly does

not fit this bill. This strategic emphasis was clear even before RTZ in 1999 became the world's biggest mining group with the \$3.7bn (£2bn) purchase of most of British Petroleum's mineral and mining assets. Pillar contributes most of RTZ's UK profits. Turnover of Pillar last year was £1.42bn but it produced only £17m of net attributable profits compared with a peak contribution of £162m in 1988. The following year the UK recession began to take its toll, and Pillar was always among the first businesses to suffer in an economic down-turn. Since than the Pillar management has been "restructuring to match capacity with demand" and the workforce has been cut by 7,000 to about 18,000.

Although RTZ insists its policies are never tax-driven, there were good tax reasons for keeping those remaining UK earnings. However, if the UK government goes ahead with plans to change the present corporate tax system which discriminates against companies like RTZ with substantial overseas earnings, the rationale for retaining Pillar will have gone completely.

RTZ acquired Pillar Industries in 1970. Pillar was a large user of aluminium for castings and RTZ was a big supplier of the metal in the UK so it was argued that tha two mada a good fit. In 1988 the business took a leap forward with the acquisition of MK Electric for £260m - after an aggressive dawn raid that netted 20 per cent

of MK. Three smaller electrical companies were acquired for £23m shortly afterwards. The expla nation for this expense was that MK's electrical products would dovetail with Pillar's business

for making aluminium, steel, glass and plastic products for the construction industry. Pillar's best-known business, apart from MK. was Everest double glazing - but this was sold to MB-Caradon in 1988 for £80m. However, RTZ recently picked up the name and some ass the Alpine double glazing business which is in receivership.

There are four operating subsidiaries within Pillar: building products, engineering, alectrical and Industries.

Building products supplies the housing and construction industries in tha UK, Portugal, Italy and Denmark with products including steel lintels, aluminium and wooden windows steel and plastic cladding and DIY equipment Last year it contributed £10.6m of net profit, up

Engineering provides products and services to the aviation, automotive and general engineering industries in the UK. Net profit last year was down from £13.3m to £8m.

Electrical produces a wide range of electrical goods including wiring devices, power distribu-tion systems, security and safety systems, door-bells, emergency lighting and building manage-ment systems. Net profits last year were down from £24m to £18.5m

Indal is a diversified industrial company sup-plying doors and windows, glass, zinc, steel, aluminium, vinyl and wood products, cladding systems and automotive components in North America. Its net losses last year increased from

25m to 29m. There is no guarantee that any deal will be worked out with MB-Caradon but, now it is widely known that Pillar is up for sale, there should be no shortage of offers. RTZ likes to drive a hard bargain when selling assets so whether an acceptabla offer comes along

Aminex .

heads for

Siberian

oil fields

THE Russian government has taken an indirect stake in a

small Irish oil exploration

company in a move designed

to open up Siberlan oil fields

frozen by years of neglect.

Aminex, the exploration tid-

dler which recently lost its

hostile battla for fellow explo-

ration group Tuskar Resources, said yesterday it

expected to announce within

weeks a deal to rebuild a

The group's 5bares rose sharply on the news, defying the market trend, and closed

25 per ceut higher at 37%p. It also emerged yesterday

that Zarubezhnefti (Russian

Siberian oil field.

By Peggy Hollinger

HM launches rights and buys epos maker

By Roland Rudd

METRIC, a privately-owned UK company manufacturing alectric point of sale terminals in Poland, is to be acquired by HM Holdings, a shell company, for between £700,000 and £4m In sbares and warrants, depending on future profits.

HM yesterday announced a 6-for-1 rights issue raising between £500,000 and £2.1m, with an opportunity for investors to apply for a bigger number of shares and warrants. The warrants carry an entitlement to subscribe for shares

at 1p between August 1 1994 and January 31 1996. The new company, to be renamed Metric Componants, will seek to come to the market in the future.

HM has tax losses and some sizeable shareholders such as the Imperial Tobacco Pension

Mr Job Maats, who founded Metric and will head the new company, said: "We have a very skilled workforce wbo cost about a tenth of employees with similar skills working in the M4 corridor or in Silicon

With the closure of Polish steel factories and mines Mr Maats said Polish workers were "very keen to work for realistic prices".

Metric, which employs 500 people in Poland, has been granted an option on the fac-tory in the Silesia valley by the ministry of privatisation, exercisable within two years. Whila the epos terminals for the retail industry are

manufactured in Poland, the software is produced in The initial consideration,

comprising 70m ordinary shares and 70m warrants, is £700,000. Up to an additional 330m

ordinary shares and 930m warrants will be issued if Metric meets certain profit targets. It either has to make £500,000

in the year to June 1994, or a bigger sum the following year to be eligible for the additional shares and warrants. Mr Maats has personally warranted that the average

pre-tax profits of Metric for the next two years will not be less than £125,000 and has undertaken to pay any shortfall up to a maximum of £125,000.

Foreign Trade Corporation), a state-owned body, indirectly owned 17 per cent of Aminex through its 49 per cent stake in East West Oil. East West, a private company controlled by Russian shareholders, owns

more then 34 per cent of Ami-Mr Brian Hall, chairman of Aminex, said he thought it was the first time the Russian body had invested in a western company. Zarubezhneftj is responsible for procuring oilfield equipment for the Rus-

sian Ministry of Fuel and

energy, and nversees the gov-ernment's foreign expinration. Aminex has appointed Mr Alexander Sarukhanov, depaty director general of Zarubezimeftj and a petroleum engineer, as a nnn-executive closely involved with Russia's oil production joint venture with the Vietnamese govern-

Mr Hall said Aminex would not be exploring in Siberia. Instead, it would rebuild the infrastructure of existing fields relying heavily on sub-contracting. "So much produc-tion has been shut in through neglect," Mr Hall said.

Two distribution disposals at BM

THE PROGRAMME of disposals and debt reduction continued at BM Group yesterday, as the engineering concern announced the sala of BM Plant and Talbot Diesels, its UK distribution businesses, to

The move is part of BM's plan to shed all or part of its interests in construction equipment distribution worldwida. The group has borrowings in excess of £100m and has had its banking facilities extended until Septembar 6.

While BM will receive only £850,000 cash from the disposals - and £200,000 of that is deferred for one year - the borrowings of the two companies, which amounted to £4.27m at June 30, are being retained by them. So the disposals will knock some £5m from group

The buyer is Halliard, share holders of which include some of the present directors and managers of BM Plant and Talbot. These include Mr GJ Hall. a director of BM. He will resign that post and will receive no

NEWS IN BRIEF

BIRKBY: Valid acceptances of the recent rights issue to raise £9.2m via the issue of 7.17m shares have been received in respect of 7.1m shares (99.2 per

CHILLINGTON CORPORA-TION has disposed of its loss-making open-die forging and vehicle body fabrication business for £285,000. DRAYTON ENGINEERING & International Trust; On the

last subscription date of war-

rants holders of 321,610 war-

rants subscribed for 1.29m

ordinary shares. In accordance with the terms of the warrants remaining \$78,390 warrants were exarcised by the trustees appointed by the company and tha 2.71m shares sold in the market at 72p per unit. Warrant holders who did not exarcise their subscription rights will receive tha proceeds of the sale, less axp

FARRINGFORD has received notices to convert a number of the company's 5 per cant convertible redeemable preference shares into 1.5m ordinary shares. In addition, a further 200,000 ordinary shares have been placed at 7.5p per

FISHER (ALBERT) has acquired Forman Fish, a fish processor, of Paterhead, Scotland, which has net tangible assets of of

MISYS has acquired Champs, a hotel software business, from Data Sciences UK for £725,000 cash. Champs, which services about 80 customer aites and

SMITH NEW COURT has received acceptances to its rights issue in respect of 18.94m ordinary shares (94 per

.£1.2m in its last financial year, was described as comple

mentary to Misys' Innsite busi-

SYCAMORE HOLDINGS is to close the lossmaking foundry division of its Warwill subsid iary. The offshoot's engineer ing and gearcutting division will continue in operation. The move will involve 70 Joh

DIVIDENDS ANNOUNCED

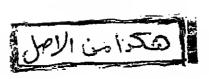
	Current payment,	Date of payment	Corres - ponding dividend	Total for year	Total last year
Alliance Trustint	14.6	Oct 5	14		45 .
ArgosInt	2.35	Nov 16	· 22		· 7
Benson Group	0.2	Nov 4	0.1	0.3	0.1
GT Chile Growth	60★	Sept 30	••• •••		25
Heath (Samuel)fin	4	Oct 4	4 .	5.5	5.5
LGW §int	1.6	Oct 18 :	1.125	10 - 10	а
Sesoon §	23	Oct 4	. 2	•	5.1
Takereint	0.7	Qct 4	oa		1.8

0.8701e
1479 80m
443.375
443.375
200 15
443.375
6278.25
1.1095
0.7616
43.500
2.56.00
2.9555
19.0450

Egyptien E (Coloni (CFA Fr) (Kroon) (pan Birn)

Fly JAL and double your mileage credits.

From 1st September to 30th November 1993, double mileage is available on all international JAL flights. Call your nearest JAL office for details.



Takare improves to £6.58m

A Company of the Comp

TAKARE, the largest UK nursing home operator, yester-day reported a 16.8 per cent rise in interim pre-tax profits, excluding exceptional items, to

The period, to end-June, covered the implementation on April 1 of the Care in the Community Act which shifted the burden of public funding of nursing home patients from central to local government

Mr Keith Bradshaw, chairman, said the effect of the reforms had been to reduce occupancy levels from 98 to 97 per cent. Takare's success dur-ing this period led him "to view our prospects with a greater degree of optimism than ever before". He said that local authorities

had now got the clinical and financial procedures in place to handle admissions. Local authority admissions, depressed partly by e rush of patients into homes before April 1, had totalled 36 in April 41 in May, 79 in June and 107 in July. The July total had already been achieved in August, he said.

Turnover rose 65 per cent to £34.9m, and operating profits on continuing businesses rose

73 per cent to £8.27m. A 45 bed home was sold during the period for £712,000, giving a profit of £370,000 included as an exceptional item. Another home, the only one remaining in Takare's portfolio which does not conform to its purpose built standard, is being actively marketed. It has

Hoars to

sell major

stake in

Hoskins

rebellion within a year, said yesterday that his family had

decided to sell a majority of its 30 per cent shareholding.

as the USM-quoted Leicester

real ale brewer reported a 16-

per cent increase in full year

pre-tax profits to 296,226

Mr Hoar described the 12

period of "turmoil in the

The company, which dis-

posed of nine of its puls in October last year for £2.45m,

now had cash balances of about £850,000, Mr Hoar said.

interest income rose from

£6,243 to £31,648.

months to

He announced the decision

By Philip Rawstorne



Virginia Bottnmley: health

120 beds and is expected to raise substantially more than the other sale.

Takare paid interest of £L7m, compared to interest of £1.7m, compared to interest receivable of £838,000, after capitalising £986,000 (£2m).

The group opened 480 beds and another 450 are due to be commissioned in the second half, to give a year end total of 5,220. Mr Bradshaw said by the end of 1994 there would be 6,600 beds in operation and another 1,400 under construction Mr Bradshaw said the con-

and total capital spending for the year would be similar to the £40.9m spent in the whole of 1992.

Takare

assets, reducing cash by £7.4m.
The balance sheet showed net
debt of £45.2m (£37.8m at the

from a promise not to issue equity for twn years. Mr Bradtha second quarter of 1995 before needing to raise more money, although if that option was pursued it would push

COMMENT

stock market is now worth 2600m, with Takare the leading force. Its results, like those last week of Westminster Health Care, the number two, are encouraging in that the April t reforms seem to have had little serious effect on operations even in the short term. In the longer term, Takare and its like should henefit from the changes, providing the right cost/quality combination to local authority purchasers. As the sector expands, though, there will be some sorting out. Takare is one of the hetter placed, and on forecasts of about £14.2m excluding excep-

tionals, the shares are on a prospective p/e of 16.6 which is still good value.

carried forward since Mr Phillips and his man-

agement team took over three years ago. Ben-

The main thrust to increased profits came

from the engineered components division, but the performance of the environmental control and vehicle engineering division was slogg-

During the current year, this pattern is likely

to be repeated although Mr Phillips said he

expected margins would improve in the environ-mental control and vehicle engineering divi-

"We are delighted the market was strong enough to take the shares. It is better for the stock to go out all at once like this than to be dumped or dribbled out to the market," son carries forward into its new year £7m of tax

Powell Daffryn. Berkshire-based specialist

Based in North Carolina, Pressure Systems has au annoal turnover of some \$7m. It employs a workforce of

1968

The nursing home sector of the

year end) to give gearing nf 46 per cent (41 per cent). Next month Takare is freed shaw emphasised the company had cash of over £5m and undrawn bank facilities of £45m, and could continue its expansion programme until

struction programme was biased towards the second half gearing towards 100 per cent. Earnings per share were 6.6p axcluding the exceptional profit or 7p including it

Bakyrchik ioint owner surprises with sale

By Kenneth Gooding, Mining Correspondent

FIVE DAYS after trading started in Bakyrchik Gold, a company set up to exploit e gold mine in Kazakhstan, one of the previous joint awners, Chilewich, a New York-based trading organisation, has sold virtually all its 2S per cent

stake. The sale took the market hy surprise - there was no hint of It to documents issued in connection with the 19m placing hy Williams de Broë – but BK Gold's share price remained steady after the news at 140p, a 17 per cent premium to the placing price.

Chilewich is understood to have been under some pressure from its bankers and sold at 128p a share to raise £3.8m

to pay off bank debt.
The shares went to institutions who had had their applications scaled down in the

original placing. Minproc. the Australian resonrces and engineering group which was BK Gold's other joint owner, also sold some shares - 560,000 received from Chilewich as part of its disposal and 190,000 from its own holding - to raise nearly £1m to fund costs Incurred in bringing BK Gold to the

Minproe still owns 23.7 per ceot of BK Gold and has no intention of disposing of any more shares for at least a

Mr David Hooker, BK Gold chairman, said the Chilewich shares were placed last week when it was clear that demand at the placing was unsatisfied.

Powell Duffryn bays

eogineer, has purchased Pressure Systems, a US supplier of breathing air equipment, for \$2.7m (£1.8m) cash.

of 1992. (5.7p). During the half year, the group spent £14.1m on fixed from 0.6p to 0.7p. Benson doubles to £1.92m with help from acquisitions

By Paul Cheeseright, Midlands Correspondent

ACQUISITIONS helped Benson Group, the Wolverhampton-based engineer, double annual profits but Mr Richard Phillips, chairman, warned that although there had been some upturn, the pattern of demand was uneven. Pre-tax profits over the year to May 31 were MR BARRIE Hoar, chairman of Hoskins Brewery, which is facing its second shareholders' £1.92m, against £915,000.

Turnover increased to £25.8m (£12.6m). The sharp rises reflected the purchase in March 1992 of the Thama group of companies, a move which effectively doubled the size of the

Earnings per share of 1.45p showed a 33 per cent increase. The proposed final dividend is 0.2p, bringing the total to 0.3p (0.1p).

Earnings were sustained by a low tax charge, following on the tax losses which have been He noted that the group was not heavily

exposed to continental European markets. Since the year end, Benson has sold Wolverhampton Pressings to Ralph Martindale for

Seacon At the operating level profits declined from £214,749 to reduced to £148,701 nn turnover 30 per cent lower at £1.22m. Earnings. per share rose 28 per cent to £818,000

A DROP in pre-tax profits, from £1.05m to £818,000, was announced by Seacon Holdings, the USM-quoted shipping and distribution group, for the

Interest charges declined from £137,932 to £84,123 while half year to March 31. Mr Chris Rnth, chairman, said that trade in the second half had so far shown signs of The accounts included an improvement. He said that following an initial bedding in period tha modernisation of the Northfleet terminal would increase profitability.

There was an upturn in steel imports in late-February which had been maintained, but it came too late to affect the half

year result. man, who has a 7.4 per cent holding, have now called for an extraordinary meeting in a Turnover fell from £9.52m to 29.09m and there were reduced operating profits of £472,000 (£669,000). Earnings per share fell to 5.62p (7.34p) basic and 5.49p (6.88p) fully diluted. further attempt to remove the Mr Barrie Hoar said yesterday that attacks from dissi-The interim dividend is lifted

dent sharehulders had disrupted efforts to reposition the to 2.30 (2p). company. As a result, the Hoar family would sell a majority of Foreign & Colonial its sharehulding provided it Special Utilities could ensure that new manat would be in the long The recent share placing and offer by Foreign & Colonial term interest of all sharehold-

Special Utilities Investment Trust was 2.81 times oversubscribed.

Applications worth an aggregate of £35.1m were received for shares worth £12.5m. Following the oversubscription, the maximum number of

income shares and capital shares, 50m in each case, will be issued, representing gross proceeds of £50m. Applications were received

for 28.8m income shares, 3.95m capital shares and 16.2m package units, with commitments for 37.5m income shares and 37.5m capital shares.

Rally at Campbell & Armstrong

Campbell & Armstrong, the shop and office fitting group, returned to the black in the

three months to June 30. The Manchester-based group has changed its financial yearend from March to December to "balance the seasonal influences of activities over the two

Pre-tax profits of £81,000 compared with losses of £553,000 last time and a deficit of £3.65m for the last full Mr Ray Chambers, chairman,

attributed the recovery to reduced overheads and the disposal or closure "of those husi-

nesses judged incapable of making a positive contribution".

Current order books were improving in shopfitting and manufacturing operations, but remained under pressure in construction activities. Mr Chambers said.

Turnover amounted £128m, up from £126m which included a contribution of 2442,000 from discontinued operations.

Earnings per share emerged at 0.6p (losses of 3.8p). The group did not declare an interim dividend.

Samuel Heath 17% ahead to £361.000

Samuel Heath & Sons, the hardware and gift maker, lifted pre-tax profits by 17 per cent from £308,000 to £361,000 in the year ended March 31.

Turnover slipped to £7.06m (£7.1m). Earnings advanced to 8.5p (7.3p) per share and the dividend is maintained at 5.5p via an unchanged final of

Alliance Trust lifts net assets to £18.46p Alliance Trust had a net asset value of £18.46p per stock unit at July 31 1998.

The figure compared with values of £17.79p at the invest-meet trust's January year-end and £14.48p at end-July

After the preference dividend, attributable revenue for the six month period amounted to £12.1m. up from £11.5m, for earnings ahead to 24.1p (22.74p) per stock

The Interim dividend is lifted 0.5p to 14.5p; directors also anticipate some increase in the final dividend, set last time at

LGW 23% ahead with £538,000

LGW; the USM-quoted market ing and luxury goods group which distributes Pierre Cardin Sun Care products. lived up to its projections with a 23 per cent increase in pre-tax profit for the six months ended June 30.

The result was achieved hy close attention to margins, overheads and stock levels, the company said.

Profit for the first half was £538,000 (£438,000) on turnover slightly lower at £6.76m to

Earnings per share came out at 6.3p (5.2p) and there will be an increased interim dividend of 1.6p (1.125p).

The Financial Times plans to publish a Survey PERU on Wednesday

> deregulating the economy. The Survey will, among other topics, assess the main industry sectors; including mining and fishing: spotlight the far reaching privatisation programme; and highlight the potential for future growth in tourism.

September 29th 1993

Notice to the Holders of

ICN Pharmaceuticals, Inc.

63/8 Convertible Subordinated Bonds Due 2001

NOTICE IS HEREBY GIVEN, pursuant to the Indenture, dated as of October 30, 1986 (the "Indenture") between ICN Pharmaceuticals, Inc. (the "Company") and Citibank, N.A., as Trustee, relating to the Company's 64% Convertible Subordinated Bonds Due 2001 (the Bonds"), that holders of the Bonds may, at their option and in accordance with the terms of the Indenture, elect to have the Company redeem their Bonds as a whole or in part, as described below under the heading "Exercise of Option to Elect Redemption" on October 30, 1993, (the "Redemption Date"), at a Redemption Price of 100% of the principal amount to be redeemed plus interest accrued to the Redemption Date.

Notwithstanding the redemption of any Bonds, interest payable on October 30, 1993 will be

paid in the normal manner.

Exercise of Option to Elect Redemption. For Bonds to be redeemed at the election of a holder, the Company must receive, at an appropriate office of one of the paying and conversions agents listed below the Bonds to be redeemed (together with all appurtenant coupons maturing after the Redemption Date in the case of Bearer Bonds), accompanied by a written notice to the Company substantially in the form provided on the reverse side of such Bond, on or after August 31, 1993 and until and including, but not after, the close of business on September 30,

Bonds may be redeemed, as a whole or in part, in increments of U.S. \$1,000. If any Bearer Bonds surrendered for redemption are not accompanied by all appurtenant coupons maturing after the Redemption Date, the amount of any such missing coupons will be deducted from the Redemption Price otherwise payable. No payment with respect to any Bearer Bonds will be made at the corporate trust office of the Trustee or any other paying agency maintained by the Company in the United States or by check mailed to an address in the United States or by transfer to an account in the United States.

Exercise of the option to elect redemption is irrevocable, except as described below under the

heading "Right of Conversion".

Right of Conversion. Holders of Bonds who give such notice of election of redemption will retain the right to convert such Bunds into ICN Pharmaceuticals, Inc. Common Stock t"Common Stock"), provided that written notice to such effect and the holder's nontransferable receipt of deposit from the paying and conversion agent representing such Bonds are delivered to the paying and conversion agent holding Bonds at or prior to the close of business on October 50, 1993, and the requirements of the Indenture relating to conversion are met. In the event such Bonds are converted on (but not prior to J October 30, 1993, the holder will be entitled to

receive the interest payable on such Bonds on such date.

The Bonds may be converted into shares of Common Stock at the Cooversion Price of U.S.
520.68 in the aggregate principal of Bonds for each share of Common Stock.

Paying and Conversion Agents. The paying and conversion agents to which Bearer Bonds and

Registered Bonds may be surrendered for redemption or conversion are listed below. Any questions with respect to the procedures for redemption or conversion should be directed to an appropriate agent,

Bearer Bonds:

Citibank, N.A. Neue Mainzer Strasse 40/42 Citibank, N.A. Citibank House 356 Strand London WC2R 1HB D-6000 Frankfurt/Main 1

Federal Republic of Germany Citibank, N.A.

Avenue de Tervuren, 249 B-1150 Brussels

Citicorp Investment Bank (Switzerland)
Bahnhofstrasse 63 P.O. Box 244 CH-8021 Zurich Switzerland

Citibank, N.A. Corporate Trust Services 111 Wall Street, 5th Floor New York, NY 10043 United States ("Trustee")

Citibank (Luxembourg) S.A. 16, Avenue Marie Therese Luxembourg
Grand Duchy of Luxembourg Registered Bonds:

England

Citibank, N.A. Avenue de Tervuren, 249 B-1150 Brussels

Citibank (Luxembourg) S.A. 16, Avenue Marie Therese

Luxembourg Grand Duchy of Luxembourg

Citicorp Investment Bank (Switzerland) Bahnhofstrasse 63 P.O. Box 244 CH-8021 Zurich Switzerland

August 17, 1993

ICN Pharmacenticals, Inc.

As of January 1, 1993, withholding of 31% of gross proceeds and of any interest payments made within the United States may be required by the Internal Revenue Code of 1986, as amended by the Energy Policy Act of 1992, unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when

EUROFIMA FRF 400,000,000 7 7/8% BONDS DUE 1994

Notice is hereby given that in accordance with the Terms end Conditions of the Bonds paragraph "Purchase, Redemption end Optional Prepeyment", the Issuer has elected to redeam anticipatively

all of the outstanding Bonds on October 7, 1993 at e redemption price equal to 100.5% of the principal amount thereof.

The Bonds should be presented end surrendered for peyment together with coupon due October 7,1994

October 7,1934
ettached.
On and efter
October 7,1993 the
Bonds will no longer be outstanding end cease to accrue.

The Principal Paying Agent SOGENAL SOCIETE GENERALE GROUP 15, Avenue Emile Reute Luxembourg

DAEJAN HOLDINGS

The Chairman, Mr B. S. E. Freshwater, reports:

· A further years' satisfactory results and

confidence in the Group's future Investment property values maintained

B% increase in dividend

Year ended 31 March 1992 Nat Profits After Tax £13.2m £8.6m (FRS3 basis) Dividends Per Share 25 Op Copies of the Report and Accounts are available from

THE BEST INFORMATION IN YOUR HAND utures Pager delivers constant updates on currencies, lutures, indices, interc rates and commodities 24 hours a day, with prices and news both direct from Reuters. Why try and do without IT Call 071-895 9400 for your FREE trial.

The Secretary, 162 Shallesbury Avenue, London WC2H 8HR

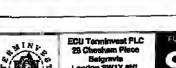
FUTURES PAGER

FUTURELINK

CALL HYETRON ON 01 40 41 93 43 071 972 9779

FOREXIA FAX \$ Dm DAILY FOREIGN EXCHANGE COMMENTARIES. CHARTS, FORECASTS AND RECOMMENDATIONS

Daily Gold Fax - free sample ask Anne Whilby from Chart Analysis Ud 7 Smallow Street, London WIR 7HD, UK Tel: 071-734 7174 Fax: 071-439 4966 commodity specialists for over 22 years





TAKE PRECISE AIM BY PLACING YOUR

RECRUITMENT ADVERTISEMENT IN THE FINANCIAL TIMES YOU ARE REACHING THE WORLD'S BUSINESS

For information on advertising in this section please call: 071-407 5754 Andrew Skarzynski 071-407 5748 Mark Hall-Smith 071-407 5634 ...on

RECRUIT THE BEST

> FOR PURTHER DETAILS PLEASE CONTACT TEL: 071-873 3351 FAX 071-873 3064 OR BY WRITING TO HEN AL FORMER THES. RECOURSE ASPERTISON, HOUSER DAS CHARGE BRIDGE, LINESCO

Looking for a Career

Change?

YOU CAN ADVERTISE YOUR SKILLS IN THE FINANCIAL TIMES RECRUITMENT PAGES FROM AS LITTLE AS £84 + V.A.T.

> Peru has embarked on a bold policy of stabilising and

> > Information on advertising opportunities and rates can be obtained from Paul Maraviglia on 071-873 3447 or fax 071 873 3595

Tel: +71 245 0068 Fac: +71 235 6599

Amines

heads b

Silveria ?

extraordinary charge of £35,254 (£63,126) for the costs

Other dissident shareholders, led by Mr Richard Hol-

of defending last year's unsuccessful attempt by a number of shareholders to remove Mr Hoar and his brother, Robert, from the board.

COMMUNITY.

Tricia Strong Philip Wrigley

COMMODITIES AND AGRICULTURE

Coffee rises as Africans agree on retention scheme

COFFEE PRICES built on strong gains in late trading in London vesterday after African producers agreed to join Latin American exporters in keeping up to 20 per cent of their output off the world market.

The plan, designed to shore up coffee prices following the collapse of talks on a new international price pact in March, won the backing of the African robusta producers at a meeting with the Latin American arabica producers in Kam-

The price of the November rohusta futures contract rose to a high of \$1,171 after the news came out in the late afternoon, before easing tn close at \$1,161, up \$39. "It was already nn the move and that just boosted it," said one trader. "It dispelled any dnubts about the weakness of the market that had arisen after New York fell out of bed last week." The New York December arabica contract was up 2.15 at

The decision by the African producers, which means some 80 per cent of world coffee output will be covered by the retention scheme, was generally expected. The November contract price has risen nearly 19 per cent in the past month. as the Latin American plan gained credibility.

But analysts said last week's sell-off in the New York market, following the evaporation of the latest Brazilian frost scare, might have hastened yesterday's announcement hy demonstrating to producers that the recovery in prices was

not entirely self-supporting. The London robusta market beld up reasonably well last week as traders anticipated good news from the Kampala was belped by trade buying and a shortage of immediate physical supplies, as well as technical moves in the run-up to the expiry of options this week. "Everything seems set fair," said nne trader. "The

more the market becomes convinced the retention scheme is going to become a reality. there's no reason why it sbouldn't go on up."

The 25-nation Inter-African Coffee Organisation had nriginally proposed to retain 15 per cent of exportable production, but agreed to the 20 per cent figure under pressure from the Latin and Central American "We believe that a 20 per

treatment required to deal with e sick market," said Mr Guy-Alain Gauze, the Ivory Coest cnffae minister and IACO chairman Snme coffee producers appear anxious to avoid antagnnising consuming countries

cent retention is the shock

fevnurs an excessive price explosion". The Kampale meeting is also due to set up an association of

by pushing up prices too far. Mr Gauze said: "I do not think

that this policy of retention

Peru aims to attract investment to its oil industry with new laws

By Sally Bowen in Lima

THREE laws governing development of Peru's oil resources were passed in congress last Friday by a substantial majority. According to Mr Demetrio Patsias, former viceminister of mines and energy, and now a congressman for the ruling alliance, the laws will give the Peruvian oll industry the boost it badly needs.

The legislatinn is aimed at making Peru as attractive to investors as Colombia or Argentina, Mr Patsias said that in the past two years only eight wells had been drilled in Peru, compared with 100 in

Argentina and 50 in Colombia. The recovery of oil reserves was a top priority, he said levels have more than halved from about 835m barrels in Some earlier legal limita-

tions will be now lifted, investors will be free to dispose of the oil they extract in any way they wish, and exports will be free of tax. In addition, longstanding restrictions that prevented foreign oil companies from exploring within 30 miles of Peru's frontlers have also beeu eliminated.

A new state organ, Perupetro, is also created. It is charged with the promotion of accepted.

and development, and will replace state-owned Petroperu in the negotiation of contracts with investors. It will also take over administration of taxes and royalties.
It is assumed the new legisla-

tion will also clear the way for Petrnperu's privatisation. A technical evaluation of the state-owned oil giant has already been carried out by Booz-Allen and Hamilton of New York, but the controversial recommendations - which include splitting the company into up to 40 operating units have not yet been officially

Minero plans to sell Ilo copper refinery

THE state-owned mining firm Minero Peru has given notice that it intends to sell off its copper refinery in the southern port of llo, where Southern Peru Copper Corporation retines its mineral into copper blister, Reuter reports from

The refinery is to be sold der in late November, and ested parties to assume certain minimum commitments la developing the refinery, an advertisement by the Minero Peru privatisation committee

The refinery, located some 1,100km (660 mlles) south of Lima, has capacity to process 190,000 tonnes of blister a year. The advertisement said the sale would be open to national and International investors through a pre-qualification pro-

Radio Programas del Peru, in through an international ten- a report from its correspondent in Ilo, quoted Mr Rafael Toledo, the bead of the Minero Peru privatisation committee. as saying that Southern Peru was interested in buying the

Neitber Soutbern Peru nor Minero Peru officials were quilla.

available for comment. Southern, with two mines in nearby Cuajone and Toquepala, produces two-thirds of Peru's copper.

Toledo was also quoted as saying there would be a 10 per cent reduction in personnel at the refinery prior to the priva-Minero Peru plans to sell the

Cerro Verde copper mine on October 13 and has announced the sale of two copper deposits for the end of the year. Later, it will auction off a gold deposit at San Antonio de Poto and a zinc refinery at Cajamar-

Aluminium group to cut production

By Kenneth Gooding, Mining Correspondent

REYNOLDS METALS, the second-largest US aluminium group, said yesterday it would temporarily close anothar 88,000 tonnas of capacity because of the worldwide supply/demand imbalance.

It was also reported that a pay strike by Romanian train drivers might force that country's Alro aluminium smelter to shut down because of a lack of raw materials.

But this news produced only a slight rally in London Metal Exchange aluminium prices. Metal for delivery in three months had fallen to \$1,200 a tonne, but recovered to close at \$1,204.50, down \$2.75 from Friday's close. Rumours of Reynolds' cut

had been in the market for two weeks and was "factored into the price already." suggested Mr Angus MacMillan, research manager at Billiton-Enthoven Metals, part of the Royal Dutch/Sbell group. Also the cut was not as big as had been boped. Nevertheless, in the longer term this was good news for the market. "The less capacity there is, the quicker the price will recover. The important thing is for the producers to continue to exercise restraint when prices start to rise next year and not bring back all this shut capacity." Reynolds pointed out that

once the latest cut became effective in late October, 209,000 tonnes, or 21 per cent of its total capacity of 991,000 tonnes will have been sbut The 121,000 Troutdale smelter in Oregon has been idle for nearly two years. In October a 41,000 tonne line at the Mas sena, New York, smelter will be closed down and two totalling 47,000 tonnes at Longview, Washington.

The group is taking a thirdquarter, after-tax charge of \$8m, or 13 cents a share, to cover the costs which involve laying off 350 employees.

 Nickel production fell 12 per cent to 394,300 tonnes in the first half of 1993, according to the International Nickel Study Group. Nickel consumption rose from 414,200 tonnes to 419.000 tonnes.

 The international Lead and Zinc Study Group reports that lead mina output in the first half was down 7.5 per cent to 1,059,000 tonnes. However, refined lead output was up 1.3 per cent to 2,258,000 tonnes. Lead consumption fell by 1 per cent to 2.210.000 mine output fell by 7.2 per cent to 2,633,000 tonnes and refined output was 0.4 per cent down at 2,722,000 tonnes. Consumption of refined zinc was down i per cent at 2,683,000 tonnes.

Britain's dairy marketers prepare for a shake-up

Battle lines are being drawn ahead of deregulation

THE PONDEROUS and still incomplete reform of the UK system of milk marketing has had rather less appeal than watching a vat of cheese curdle. Progress over a period of three years has been painfully slow and it has often seemed that after every step forward the industry negotiators have elipped two back.

Some tardiness was inevitable, as deregulation of the milk market was forced on the UK by the European Community because of the monopoly powers of the marketing boards. Most dairy farmers, together with the elected milk-producing members of tha boards, resent the loss of an organisation that has served them and their fathers well since the

1930s. beginning to build, albeit at a stately pace. Late last month, the Agriculture Bill permitting the winding-up of agricultural marketing boards received the royal assent. Sometime next month the Milk Marketing Board of England and Wales will publish its proposals for reorganising itself into a co-operative called Milk Marque. By November, it is hoped, Milk Marque will have issued contracts to farmers to supply it with milk; and sometime between April and October 1994 the new organisation will

begin trading.

The latest delay is caused apparently, by the need for Brussels bureaucrats to agree the terms under which Milk Marque can keep some of its subsidiaries.

These include the one that runs the present board's cattle breeding services; National Milk Records, which is exactly what its name implies and prorides management advice based on herd yields recorded by board staff; and Quality Testing, a laboratory service that assesses milk purity and freedom from bacteria. It has already been agreed that the board's main subsidiary, the milk processor Dairy Crest, will be floated on the stock exchange with dairy farmers being issued with most of the

Meanwhile, although Milk Marque has said it hopes to purchase 80 per cent of the milk produced in England and Wales, other would-be players in the game after deregulation are beginning to jockey for

One of the first to express interest in buying milk direct from farmers was the Co-operative Wholesale Society. It has been holding meetings with dairy farmers for the past two

WORLD COMMODITIES PRICES

88,7% purity (5 per tonne



By David Richardson

ears to tell them what a good buyer it would be, but has not come up with a positive pro-

Last January, Northern Foods launched the Northern Milk Partnership together with distillusioned ex-milk board vice-chairman Mr Richard

The partnership, it is explained, would act as the procurement agency for the milk required by Northern Foods, The declared target was for 18 per cent of present pro-duction, or 2bn litres of milk a year. Last week, Northern Foods said that it had commitments for 75 per cent of the

Nestlé was the next to go public with a proposed contract, released last spring, although the company made it clear that it was only interested in producers close to its processing factories, implying a limited demand. Danish-based MD Foods also

entered the ring this summer, indicating that it wanted to buy milk direct from UK farmers and the company sent a caravan round some agricultural shows to try to drum up

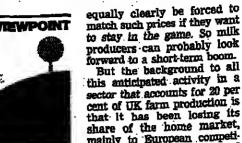
Irish dairy company Avonmore has declared that it expects to be another buyer of British milk from British færmers. In addition Unigate, CPC Ambrosia and the newly-independent Dairy Crest are expected to want to purchase direct from farms. Whether all will eventually

secure the contracts they seek. is open to conjecture. But as they battle for their share of the new free milk market, it is reasonable to assume that they will be prepared to pay keen prices for supplies and that this may continue for a year or two, until the shape of the market becomes established. Moreover, the managing

director designate of Milk Marque, Mr Andrew Dare, has his new company's price for milk to be among the three highest in Europe.

This was clearly a shot across the bows of his likely competitors and they will

Open inte



match such prices if they want to stay in the game. So milk producers can probably look forward to a short-term boom-But the background to all this anticipated activity in a sector that accounts for 20 per cent of UK farm production is that it has been losing its share of the home market, mainly to European competition. According to Mr Bud Wendover, head of strategic development for Food from Britain, the UK farming industry's promotional agency, the country's total dairy trade deficit increased last year by 35 per cent to a record £609m. with the balance of trade with other EC members worsening by 38 per cent.

The root of the problem, he said, was that "much of our home-based production is still focused on products of low value in declining markets, while we import higher value products. This cannot be in the interests of either producers or

For while UK sales of liquid milk continue to decline, sales of cream, yoghurt and some cheeses are steadily increasing - and many of those addedvalue milk products are being imported. The main reason for

Britain's failure to respond adequately to changes in the market mix is historical. Prior to the introduction of milk quotas in 1984, UK dairy farm-ers were being encouraged by the government to produce as much milk as they could, irrespective of demand. It was demied at the time, as was the possibility of the intradiction of quotes, but it was clearly an attempt to enable Britain to quality for as big a production

entitlement as possible. But that milk had to be disposed of and the only me guaranteed by the EC at the time were for batter and skimmed milk powder, which were sold as surpluses to BC intervention stores. Plants to process those low-value products were established and most continue to operate.

The present growth area, however, is the market for fresh chilled dairy products such as prepared yoghurts and soft cheese European dairy compenie have been quick to recognise this fact and are cashing in.

For the good of UK Ltd as well as a thery farmers, therefrom British farmers should position themselves to exploi growth opportunities on our doorstep, rather than leaving them to be filled from abroad.

54.53 55.48 55.33 56.98 57.03

56.18 54.95 54.13 --. 55.03

UK facing free trade 'quagmire'

By Allson Maitland

NORTHERN FOODS, the UK food manufacturer, says "a quagmire" will result from the replacement of the Milk Marketing Board by a 'monopoly broker", when the milk indus try in England and Wales is opened to competition next

In a paper on the new milk market, Northern Foods points out that Milk Marque, the MMB's successor, will have a dominant position but no processing facilities, given the planned flotation of Dairy Crest, the MMB's trading arm

Therefore the imbalance between supply and demand during the year might tempt Milk Marque to do special deals with milk processors, says the food group, whose Northern Milk Partnership. run jointly with dairy farmers. is the leading rival to Milk

Mr Neil Davidson, group executive in charge of milk policy at Northern Foods, points out that for 10 months of the ar there is not enough milk left over, once fresh market demand is satisfied, to make use of all the processing capacity available to convert it into cheese, butter or skimmed milk. But the opposite is true twice a year - in the spring and over Christmas and New Year - when excess milk supplies are large.

If these processors insist on fixed quantities of milk at special prices in return for accommodating Milk Marque at its most vulnerable time, this would run counter to the need for Milk Marque to be open and fair with all buyers of milk under competition law, says Mr Davidson.

The same would be true, he argues, if Milk Marque offered processors of fresh milk products special deals in order to overcome potential dissatisfaction over the premiums they will have to pay to be sure of obtaining the supplies they

"All of this amounts to a quagmire which would not exist but for the presence of a monopoly broker," he says. Mr Davidson also questions the justification for the MMB's

plains that Milk Marque will pay Uk producers among the highest prices in Europe. Some morthern Kuropean milk farmers are paid more than UK producers because their input costs are higher and herause they tend to sell their milk

If Milk Marque did achieve such prices, he suggests, it sumer would have to pay

MARKET REPORT

THE GOLD price looked set to mount a test of the upper in nf its recent price range as it moved ahead yesterday to close in London at \$373.75 a troy ounce, up \$5 from Friday. Dealers said the rise was caused by heavy US investment fund buying. SILVER inined in the uptrend, gaining 15.50 to 477.50 cents an nunce, but the PLATINUM market was relatively muted, rising only \$2.75 to \$387.75 an ounce. At the London Metal Exchange the COPPER market appeared to be finding support manths metal and despite a dip to \$1.898, coinciding with e slight

London Markets

Crude of tper barrel FORNO	:1)	+ or -
Dubai	\$14,74-4.81u	-0.14
Brent Blend (dated)	\$18.74-6.76	-0.14
Brent Blend (Sep)	\$17.04-7.06	-0.11
V.T.I (1 pm est)	\$18.27-8.30u	145
Oil products NWE prompt delivery per to	nne CIF	+ or ·
Premium Gasoline	5193-195	
Sas Qil	\$161-162	-1
Heavy Fuel Oil	\$61-62	
Nachtha Arthra	\$160-162	+1
Petroleum Argus Estimates		
Other		+ OT
Gold (per tray oz)ệ	\$375.75	+5
Silver (per troy oz)	477.5c	+15.5
Ratinum (per troy oz)	\$387.75	+2.75
alladium (per troy oz)	\$139.25	+1.5
Copper (US Producer)	90.00c	
and (US Producer)	33.50c	
in (Kuala Lumpur market)	12.14m	-0.17
	222.0c	~
in (New York)	82.00c	
Inc (US Prime (Vestern)	12,00C	
catale (Ave weight)	130.62p	-0.61
ino:p five weighti†∳	87.00p	-8.75
igs fire weight)†	72.23p	-1.06
ondon naily sugar (raw)	\$247.3	+1.6
andon daily sugar (white)	\$265.0	-3.3
ate and Lyle export price	2280.0	
Sartey (English feed)	Unq	
Azizo (US No. 3 yellow)	£160.5	
Wheat (US Dark Northam)	£147.0	
	60.50p	
tubber (Sep)♥		
Lubber (Oct)♥	81.00p	
Autober (KIL RSS No. 1 July	210.5m	+1
Coconut oil (Philippinesi§	\$460.0v	-2.5
Palm CH (Malaysian)§	\$352.5v	-2.6
Copra (Philipperes)§	\$293.0	
Boyabeans (US)	2202u	+1
Cetton "A" Index	55.00	-0.4
Nooliope (64s Super)	349p	-2

narrowing in cash-to-three-manths premium, the price recovered in the afternoon aided by the steady performance of cooper futures at the New York Commodity Exchange dollar weakness. The ZINC market was again supported on dips toward \$880 a tonne for the three munths position but rallies falled to ettract follow-through interest, dealers said. Manufacture Buying interest boosted London COCOA futures, with the December positinn closing £25 up at £786

Compiled from Reuters

Oct 2 Dec 2 Mar 2 May 2 Aug 3 Oct 4	254.70 254.50 255.30 258.00	Previous 267,90 268,90	High/Law
Dec 2 Mar 2 May 2 Aug 3 Oct 2	954.50 955 30 958.00	258.90	
May 2 May 2 Aug 3 Oct 2	255 30 258.00		258.50 254.50
May 2 Aug 2 Oct 2	58.00		255.10 254,50
Aug 3 Oct 3		259.10	258.50 255.30
Oct 2	63.00	260,70	258.50 258.00
		284.60	263 00 261.50
Dec 2	53.50		254.50 253.50
	55.50		255.50
White 1746 Oct 1581.6		Paris- Whit	e (FFr per tonne):
CRUDE O	L - P1		S/bar
	Latest	Previou	s High/Low
Sep	16.95	17.04	17.13 16.95
Oct	10.98	17,21	17.20 16.97
Nav	17.17	17.40	17.42 17.17
Dec	17.33		17.58 17.33
Jan	17.65	17.64	17.65 11,58
May	17.29	17.89	17.99
IPE Index	17.07	16.93	
GAS OIL -	. IPS		\$/ton
	20se	Provious	H=gt/Low
Sep 1	61.75	162.50	163.00 161.75
Oct 1	66 03	166 00	185.75 164.75
Nov 1	66.50	167.00	168 00 186 50
Ďec 1	.68.7 5	169.00	170.25 168.75
Jan 1	70.50	170.50	171,75 170,25
Sep 1 Oct 1 Nov 1 Dec 1	3636 61.75 65 07 186.50 168.75	162,50 166,00 167,00 169,00	H-gh/Low 163,00 161,75 265,76 164,75 168 00 188 50 170,25 168,75

Close 796 752 786 770 765 786 803 812 820 629 842 854 813 798 820 807 830 815 842 841

COFFE	E - LCE			\$/2000
	Close	Previous	High/Low	
Sep	1195	1151	1199 1160	
Nov	1101	1122	1171 1135	
Jan	1141	1092	1145 1110	
Mar	1126	1084	1125 1105	
May	1118	1075	1106	
Jul	1125		1110	

POTA	roes - Lo		£/tonne	
_	Close	Previous	High/Low	
Mar	95.0	60.0	107.5 100.0	
Apr	77.8	89.5	80.8 77.5	
Мау	0.96		81.0	
Turnov	er 229 (176	0 lots of 20	tonnes.	

Oct	er 0 (0) tot	172.00 a o1 20 tonr	100.
FREIG	HT – LCE		\$10/Index poir
_	Close	Previous	High/Low
Aug	1435	1423	1435 1429
Sep	1490	1475	1490 1485
Oct	1518	1505	1520 1515
Nav	1530	1520	1530 1520
Jan	1550	1530	1550
ВĀ	1366	1355	1386
	er 238 (18)		

1700 1750 1800

167.00	168 00 188 50			-	•	
169.00	170.25 168.75	Sep	105.15	104.75	105.00	
		Nov	106.80	106.70	107.10 106.80	
170.50	171,75 170,25	Jan	108.85	108 50	106.06 106.80	
175: lete e	/ 100 tonnes	Маг	111.00	1 10.50	111,00 110,80	
-13 1000 0	100 00-100	May	11280	112.60	113.	
		Barley	Close	Previous	High-Low	
	ion reports, Landed Best East Africans	Nov	103.55	103.45	103,65	
rere strong Per sonts Pere also g	t clased higher, Col- j and often 3 to 6p were also fally firm. jenerally dearer, Off-	Pigs -	LCE	(Cash Settlement)		
	n ha dearer Clugas- torn good medium		Close	Previous	High/Low	
	, low medium 90p/	Sen	99.0	08.0	69.0	
	ksed this week was	May	105.5	105.5	105.5	
ndipol	- 1	Jun	105.5	105.5	105.5	
	ì	T	-E (dilete	-4 0 250 be		

Close

Copper, Grad	14 A P5	per to:	me)					TOTAL	PER PERK	Mar 4
	1935-37		1942-	4	1930/1931	1	831-32			
	1902-03		1902-	<u> </u>	1906/1898	1	897.5-98	1004.5		207,0
Lead (S per b								Total	dely tur	KANGL
Cash 3 months	384-85 397.5-98	.5	385-6 386-8		383 39 8-9 5.5		82.5-83 85.5-86	396-89		23,34
Nickel (\$ per								Total	daily but	OYEF
	4095-700	3	4770-	80			890-95			T.,
months 4	4750-52		4825	30	4810/4740	. 4	753-55	4750-5		15,24
Tin (S per ton								Total	delly but	KOYEF
Cash 4 3 months 4	4780-90 4835-40		4810-4	5	4787 4865/4840	. 4	785-57 840-45	4835-40		10,550
Inc. Special		rode (100071010		43		ally turno	_
	870-71	, con	079-8		806	8	05-68		any walls	
months (884-5		889-0		889/880		79.5-80.5	682-83	7	79,114
ME Closing SPOT: 1.4545	2/6 net	MC:	3 mont	hs: 1.47	50	0.	nonthe: 1.	4893	8	monii
Copper and I										
LONDON BL						Ne	Y W	ork	٠.	
(Prices suppli Gold (troy oz)				ediniya d)	iorit					
Close	373.50			- OQUAN		GOLD		az.; \$/tray o	_	
Opening	371.25	-371.7	3				Close	Previous	High/L	
Morning fix Afternoon fix	375.50 372.60			55.245 53.383		Aug	373.1 373.6	389.3 309.8	574.0	8
Day's high	374.75			33-363		Sep Oct Dec Feb	374.5	370.7	375.4	٠ .
Day's low	389.50					Dec	376.4 . 378.2	372.8 374.0	377,5 379,5	5
ooo Ldn Me	sun Gçir	d Len	ding R	rtee (Vi	USS)	Acr	379.9	378.2	380.7	1
month	2.5	53	8 mon	the	2.60	Jun	381,0	378.0	0	- 0
months	2.5	3	12 ma	nths	2.63	Aug	383.4	379.8 381.5	0	0
months	2.5					PLAT	NUM 50	roy oz; \$/tro		_
Sher fix	D/gsol			S cts e	vquiv		Citose	Previous	High/L	_
pot months	477.20 480.60			25.75 30.25		Aug	386.0	385.6	0 .	
months	484.90			34.70		Oct	388.9	386.6	392.5	.0
2 months	483,40	1	3	43.10		Jan Apr	391.0	387.6	393.0	. 3
						Jul	393.0	389.6	0	.0
BOTD COM	8					SILVE	FI 5,000 to	oy oz centa	/tray az.	
	S pri	(Ce		c equive	plent		Close	Previous	High/Lo	
irugenand		50-370		255,00-2	257.00	Aug	474.3	461.3	0.	0
Asple lest		95-38				Sep	475.0	462.0	479.0	. 4
New Sovereig	n 88.5	0-91.5	0 (60.00-62	200	Dec	476.4 479.5	483.4 486.5	483.5	. 0
						Jen	479,9	486.9	0	
TRADED OF	TIONS					Mar	484.4	471,4	. 489.D	4
Akminium (9	9.7%)	0	alls	-	Puts	May	487.6 490.9	474.8 477.9: -	491.0 491.0	4
Strike price S	tome	Oct	Jen	Oct	Jen .	Зер	494,4	481.4	493.5	4
175		39	68	15	32	Dec	496.6	486.6	603.0	4
1200		25	53	26	44	HIGH		OPPER 25,0		_
225		10	40	41	58		Gloss	Previous	High/Lo	
opper (Grad	e A)		alis.	F	Puts	Aug Sep	84,50 84,45	84.10 88.85	84.60	
900		58	80	43	79	Oct .	84.50	83.95	84.75 84.50	8
1950		35	60	70	107 140	Nav	64,55	84.05	0	:0
2000		20	42	104	140	Dec	64.60	84.15.	84.90	8
						Jan Feb	84.80 85.00	84.35 84.55	O	0
coffee		Sep	Nov	Sep	Nav	Mar	85.20	84.BC .	0	-5
150		49	77	4	96	Apr	85.35	85.00	0 .	. ፡ ወ
200		18	56	21	95	May	85.55	85.25	<u> </u>	. 0
250		3	40	· 58	129	CRUE	E OIL FLIG	MO 42,000 U	نگ منتدي ک	berre
		-							-	_

er ton	me				Mar	1152	1111
M.	V		٠.		May	1170	1152
пe	W Y	OFK			COFF	EE "C" 37	.500lb
GOLD	100 troy	cz.: \$/tray a				Citose	Previ
	Close	Previous	High/Love		Sep ,	71.40	60.10
Aug	373.1	389.3	374.0	372.5	Dec		72.00
Sep	373.6	309.8	0	<u> </u>	Mer	76.65	74.24
Dec	374.5 376.4	370.7 372.8	375.A 377.E	973.0 375.1	May	77.90	75.70
Feb	378.2	374.0	379.5	377.0	Jul . Sep	79.50	77.25
Ąт	379.9	376.2	380.7	379.6	Dec	54.50	82.50
Jun	381.0	378.0	0	0		9400	-
Aug Oct	383.4 385.2	379.8 381.5	0	0	SUGA	R WORLD	7171
PLAΠ	NUM 90 t	roy oz: \$/tro	y OZ.			Citions	Protei
	Citose	Previous	High/Low		Oct	9.20	9.37
Aug	388.0	386.6	0 .	0	Mar	9.54	9.47
Oct Jan	388.9	386.6	392.5	360.0	May	9.45	0.58
Apr	391.0 392.5	387.6	393.0 382.0	3850	Jul	9.51	9.88
Jul	393.0	369.6	0	0	Oct	8,56	9.64
SILVE	9 5,000 to	oy oz, cents	/troy cz.		- 0017	ON 50,000	
	Close	Previous	High/Low		<u> </u>	Close	- Free
Aug	474.3	461.3	O.	0	Öct	54.82	54.84
Sep Oct	475.0	462.0	479.0	471.0	Dec	35.61	55.0
Uet Dec	476.4 479.5	483.4	0	.0	Mar .	57.37	57.50
Jen Jen	479.9	486.9	483.5	476.0	May	58.22	5B.40
Mar	484.4	471,4	. 488.D	481.0		50.70	. 59.35
May	487.6	474.8	491.0	495,0	Oct	59.85	60.08
Jul 💮	490,9	477.9 -	491.0	489.0	Dec	80.05	100.25
Зер	494,4	481.4	493.5	493.5			
Qec	496.6	486.6	609.0	494.5	ORAN	ar inici	18,000
HIGH	Glose	Previous	000 lbs; cent	s/ibs		Close	Petric
			High/Law		- Sepົ	116.10	116.5
Aug Sap	84.50 84.45	84.10 83.85	84.60 ·	-84.50 -84.00	Nov .	119.20	:119.8
Oct .	84.50	83.95	84.50	84.50	Jan.	121.00	121.0
Nav	64.55	84.05		.0	Mar	122.70	127.7
Dec	64.60	84.15,	84.90	84,20	May -	123.90	123.7
Jan	84.80	84.35	O	0 .	-Jul	124.35	123.7
Feb	85.00	84.55	0.	0 -	800	122.30	121.7
Mar Aus	85.20 85.35	84.80 . 85.00	g	5	Nov	122.35	121,7
May	85.55	85.25	0	ŏ	- 380	122.35	121.7
CRUD	E OIL (Lig	NO 42,000 U	2 gaile \$/ba	rel			4 - 4-
	Leteat	Previous	High/Low		· ===	TERS (S.	4.84.7
34¢	17.82	16.14	16.16	17.77	==		
Oct	18.27	18.63	16.57	18.21			A
Nav	18,55	18.76	18.80	1851	ــنا.	1624.1	.162
Dec	16.79 16.88	18.93 19.05	18.95 19.07	18.80 18.80	DOM	JONES	(Parally)
Jan Feb	19.05	19.16	19.05	19.05			<u> </u>
Mar-	19.05	19.25	19.25	19.05			- An
lpr	19.32	19.32	0	.0	Spot	123.00	122
				19.37	Cutter	- 184,00	
May Man	19.37·· 19.25	19.44	19:97 19:45	19.45		-mb -miles	

				· · ·	
de, destaite 199 gaille 2		neag	G .		·
		WENTS S	000 but miric o	contañolio o	sand
54.56 53.00	2.52	Close	- Previous	Hanto	w -
66.48 54.50	AUG	652/6	663/0	000/4	651.4
58.40 55.50	Nov.	602/2 651/4	655/6 654/0	660/0	650/0 648/0
6K08 5K25 5K48 5K48	· Jan	855/0	668/2	863/4	653/0
+ 56:29 + 355.70 >	May	658/0	662/2 - 663/2	669/4 667/D	658/0
54.80 54.80	Jul .	.051/6	663/8	668/0	650/0
83.50 83.50	AUG	658/0	669/0	· 662/4	\$57.0
	SOY		60,000 Ros; e	cents/lb .	
100		Cibee	Previous	High/Lor	· .
High/Low	Aug Seo	. 22,88 . 22,98	23.20	23.15	22.80
965 940	Oct	23.12	23.34	23.35	22.83 23.00
1864 988 1945 1922	Jen	23.34	23.56	23.54	23.21
1065 1048	Mar	23.66	. 23.62	23.61 23.75	23.35
7000	May	23.71	23.92	23.71	23.60
1120 1120			V. 100 torn;		21.33
0	-	Close	Previous		
0	Aug	214.2	214,4	High/Lov	
s/tie	Geo	211.0	211.1	216.7 213.7	213.2 209.0
High/Low	Oct	206.5 207.3	208.8	211,3	207 S
71.60 69.50	Jan	206.3	207.5	210.2	208,6 · 208,2
24.40 78.10	Mar May	205.7 205.3	206.3 206.5	208.5 207.0	205.5
78.65 78.50 77.75 78.90	Jul	- 208.6	204,4	208.0	204.0 203.6
79.20 T8.90	MAIZI	5,000 bu	min; cents/5	filb bushel	
0		Close	Previous	High/Lov	,
O foet contented	Вер	230/4	236/6	238/6	230/0
	Dec .	241/0	244/2	244/0 250/6	240/4
High-Cow	May Jul	252/2	255/0	255/0	252/0
\$30 9.12 9.37 9.80	Sep	248/0	256/2 260/4	257/0 250/2	253/6 248/0
9.35	. Dec	240/6	242/4	243/0	240/2
9.50 9.45	MARIA		min; centure	Ob-bushel	
		Close	Previous	High/Low	
	- Dec	31 1/2 . 318/4	307/0	315/4	305-2
HighLow	Mar	\$20/6	315/0	323/0	313/0
66.30 54.75	latay Jest	314/2	310/6	318/0	314/0
56.58 55.71 57.90 57.21	Sep	: 307/4	299/0	305/4	298.0 307/4
58.89 . 58.30	Dec	315/4	310/0	0	0
39.50 59.10 0 0	TIÁE	ATTLE 40	000 fbs; pen	s/ibs	
0		Close.	Previous	High/Low	
perientipe	Aug Oot	74,800	74.750	75.175	74.075
	Dec	75.200	74.376 76.125	74.900	74.375
High/Low	Feb Abr	. 75.575	75.575	75,450 75,800	75,100 75,626
117.80 116.10	Jun	78,675 73,425	78.575 73.325	78.750	76.550
120.95 119.20 122.00 121.00	Aug	72.160	72.100	79.575 72.226	73.400 72.150
122.70 122.70	TIVE	003 40,00	O lb; cents/t	35	
124.45		Close	Previous	High/Low	
0 0	Aug	50.575		50,700	49.500
و بند و	Oot Dec	45.275 45.276	45.500 45.450	45,050 -	45,075
0 . a	Feb	44,625	45.150	45.550 ·	45.000
and the same of th	Appr	43.900 48.950	43.800	44.000	44.700 43.600
18 1931 = 100)	Jul	48.180	49.050	-49.200 . 48.400	48.850
montage yeago	Aug	46,500	47.000	. 10.	48.150 48.800
17023 1526.7	PURK	BELLES 4	0,000 lbs; ca	mis/ib	
1.1974 a 100)		Close -	Previous	High/Law	
day, edo A edo	Aug Peb	43,360 .	43.226	43.500	42,700
122.71 118.64	Mar	47.850	48.075 48.400	AN Erro	47.600
126.25 114.85	Newy	. 48,400 - 50,200		48.150	46.900 46.000
	Aug	49,960	50.460 49.963	0	50 200
	•		•	0	48,800
				: .	

63.78 1239.86

32.15 1119.57

30.14 1287.58

31.43 1128.48

74.00 1219.33

FT-A ALL-SHARE

1496.35 +0.05

21 64 22 09

21.74

Share prices dip as the market closes

By Steve Thompson

THE UK stock market ended the first session of the new three-week trading account relatively unscathed in spite of a bout of nervousness triggered largely by a flurry of selling in the German bund market and a modest decline in UK gilts late in the session.

A faltering equity market was bolstered by a strong opening performance on Wall Street, which was around 20 points higher shortly after it commenced trading, stimulated by takeover sctivity in the telecoms sector and better than expected capacity utilisation numbers.

At the close of trading the FT-SE 100 index showed a 1.8 net decline at 3,008.3. Turnover in equities remained at relatively high levels. Some 604.3m shares changed hands yester-day, with the lion's share, almost 400m shares, or 66 per cent, accounted for by trading in non-FT-SE 100 shares.

The market began the day in subdued fashion with a ex-dividend allowances accounting for a fall of almost nine FT-SE points at the outset of trading. However, the early downside trend, which took the market down to 3,002.0 shortly after trading commenced, proved short-lived and prices began to edge higher, in line with the

FT-SE future and following

renewed keen support for

selected issues, notably the electricity and water stocks which offer well above average yields.

The market reached the day's high-point, up 6.5 at 3016.6, in mid-morning before running out of steam and marking time ahead of the opening of Wall Street.

The US market came in on a firm note, with interest stimulated by news of AT&T's mova

that BT has raised is to a cer-

tain extent offset by the risk that AT&T shares could fall.

But on balance, this looks like

a modest positive for BT," said

Mr Jim Ross at Hoare Govett.

He added that he expected BT

to sell its stake around Novem-

valued at \$12.4bn, excitement

among London telecoms ana-

lysts centred on the price this now put on other cellular

groups. Vodafone, which had seen its price fall sharply at

the opening yesterday, recov-

ered quickly after the early

afternoon announcement and ended the day 9 ahead at 531p. Dealers said marketmakers

were also caught short by the

day's events, Rumours circu-

lating the London market in

recent weeks of a big hid in the

telecoms sector were also

slipped back 8 to 834p on the

contrary argument that

AT&T's extra payment to BT made a new bid in the sector unlikely. BT, which went ex-

dividend by 9.45p yesterday,

MB-Caradon strong

Building materials and print-

ing group MB-Caradon raced

given fresh-currency.... However, Cable and Wireless

With the total bid for McCaw

ber next year.

to acquire McCaw, the cellular telephones group, and a better than expected figure on capacity utilization during July.

The July figure for industrial outout was in line with expectations, according to dealers. However, downside pressure on German bunds and to a lesser extent on UK gilts began to unnerve the UK equity market which dropped back into

negative territory in mid after

TRADING VOLUME IN MAJOR STOCKS

Dealers in the equity market

were mostly unperturbed by events yesterday, taking the view that intermittent houts of selling pressure had enabled marketmakers to fill in many of the hefty short positions that have built up in recent weeks as the big push drove the FT-SE through the 3,000 level. "The market is now better balanced than it has been

for some time and won't go down too far as long as Wall Street performs," said a leading institutional salesman. He warned, however, that the market remained unforgiving towards companies whose results do not come up to the market's best expectations. Argos was a case in point yesterday, the shares sliding despite middle of the range

FT-SE 100

3008.3 -1.8

FT-SE 100

Fi-SE ALC 250

FT-SE Smattcap

FT-A ALL-SHARE

Fi-St inn 250 er am Irust

1 CAPITAL GOODS(214)

Derrotal 19

Contracting, Construction(29)

profits. marketmakers adopted a fairly bullish view of the market, saying that much of the late pressure in equities was triggered by the future which ran into strong resistance at the 3,030 level; "There was very little pressure in the

cash market," said one. Mr Peter Thorne, equity strategist at Nikko Securities. warned that in the short term the news flow will not be posi-tive for equities. "We expect further evidence of of slow economic growth in the UK and US; further earnings disappointments; a tax raising budget in November and concerns that inflation will rise in 1994."

Accou	nt Dealing	Dates
First Dealings: 4.4 2	Aug :6	Sep 6
Option Peclarati	ons: Sep 2	Sep 16
est Deplings: Aug 13	Sep 3	Se: 17
occumt Day:	Sep 17	Sep #

BT lifted by AT&T move

THE dramatic news from across the Atlantic of AT&T's new moves in its plan to buy McCaw Cellular Communications had repercussions throughout the telecoms sector on the London market yester day. AT&T, which was to buy a part-stake in McCaw last year, decided to change its takeover timetable, delaying the purchase of the 17 per cent shareholding beld by BT, but paying a healthy premium for doing

so to the UK company. BT will now take its settle-ment in AT&T shares, receiving 35.8m shares in a one-forone exchange with McCaw stock. At the current AT&T share price of \$62.375, BT's holding is valued at approximately \$2.2bn. Under the previous agreement, BT would have received \$1.75bn in cash.

NEW HIGHS AND LOWS FOR 1993

7 777 25

NEET FIRCH S (404).
BYDTESH FURDES [14] OTHER FORD INTEREST [19] AMERICANS [7] Benders NY, O'thorp, Love's, Merrill Lynch, Morgan LYP, Persicol, Unity, BANIS [14] AND AMERICANS [7] Benders NY, O'thorp, Love's, Merrill Lynch, Morgan LYP, Persicol, Unity, BANIS [14] AND AMERICAN, Del Cri, Outsiche Benk, 1858C, Do. HK, Mesubett, Micsoleth Tre. & Bring, Natl Aust. Barik, Salura, Surmanno, Surmanno Ter. & Brog., Toka, Yasuda Ter. & Bring, Natl Aust. Barik, Salura, Surmanno, Surmanno Ter. & Brog., Toka, Yasuda Ter. & Bring, Natl Aust. Barik, Salura, Surmanno, Surmanno Ter. & Brog., Toka, Yasuda Ter. & Bring, Barik, Salura, Surmanno, Buda Marta, Machanda Dhes, Marta, Machanda Chap P., Pelengon Whrat, Fric., Rediend, Shape Crist. Johnson, Marta, Machanda Chap P., Pelengon Whrat, Fric., Rediend, Shape Salura, Surmanno, Surm

AUS., Southern Pacific.
NEW LOWS (12)
BATTISH FUNDS (1) Excheque 12(6): 1994.
AMERICANS (1) Colgate-Paintoline.
CAMADIANS (1) Excheque Pes., BUSINESS
SERVS (1) Penns., CHEMS (1) SOC.
BLECTRICALS (1) Seeds Hyndr., HEALTH
BLECTRICALS (1) Esplar (ed., Microare, HOTELS
A LESS (1) Tomorrows Lesure, OTHER ROLS
(1) Maring Inds., STORES (1) Penico, ASINES
(1) Devec.

take profits should consider EQUITY FUTURES AND OPTIONS TRADING 3.030 level which has proved a

> hecause of the number of stocks going ex-dividend. Despite this, turnover was thin with few of the large institutions visible. September

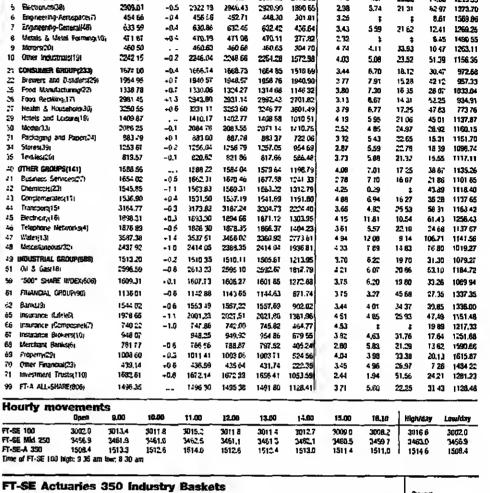
close at 3,013, just five points above the cash market. Volume was 5,727 contracts.

reached 20,873 contracts, Among the stock options, Tesco, heavily tipped in the weekend press, led the way with 1,298 contracts. Amstrad, British Steel and Grand Metro-

Rolls-Royce, Earlier, the com pany said it had sold stock, belived to be around 6.7m shares, to reduce the level of foreign ownership which had exceeded 29.5 per cent, the level permitted under the company's articles of association. Having declined to 158p, the shares hounced to close 11/2 lighter at 162p.

Nervous trading ahead of tomorrow's figures saw SICC relinquish 16 to 397p. There was some talk of a possible rights Issue but it was discounted by several analysts. Profits are expected to come in at around £53m, against £58m

MARKET REPORTERS: Christopher Price. Steve Thompson. Joel Kibazo.



FT-SE MID 250

3459.4 +3.9

Aug 12 Aug 11

3006.1

3441.8

1694.52

1495.38 1491.80 1128 41

1012 15

3140.57 3157.32 2180.52

2376 1

2277.5

1507.3 1146.6

3.82

3.60 3.74

5.73 5 62

6 02 5.70

30091

3451 8 3461 5

1720.50 1716.41 1706.14

1703.46

1029.31

3465.9

1705 34

1496 30

-0.1 1096.64 1097.58 -0.3 1170.18 1163.46

7085.91

• 0.3 1035 98

282 2029 3 2029.8 2028.8 2028.8 2027.1 973.2 2029,1 977,2 1487 8 2032.8 2031.7 975 J 1485 8 970.2 973.0 972.6 1473.4 975.3 1477.1 1895.3

The inventor in the barr of the FFActuaries All-Share India from January 4 1933 means that the FT 500 new contains more stocks, it has been renamed the FT 1500 °F Sector PE's ration greater then 80 are not players. It subsets are recipited.
The FT-56 100, the FT-56 Mid 250 and the FT-56 Actuaries 350 indices are computed by the Loodon Since, Euchanga and the FT-Actuaries All-Share India, is computed by the FT-66 more limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules.
Of the International Since Euchange of the United Nangdom and Expediting of Internat Limited 1933. Of the Financial Tends Limited 383. All regims reserved, "FT-56" and "Footies" are point trade mans and service mans of the Limited Limited 1933. Of the Financial Tends Limited 1933. Service and active the FT-56 Actuaries Stamp Indices are actived by the VMA Company, NAME CHANGES VSEI, Consortium IT is now VSEI.

ahead after confirmation that it was in talks with RTZ, the international mining and met-als group, over the possibla sale of RTZ's Pillar building and electrical products unit. Weekend press reports suggested that RTZ was looking to sell Pillar for around £750m and an early morning statement yesterday confirmed

the two groups were in discussions. MB-Caradon shares jumped 16 ahead to 303p, in active trade of 3.5m, while RTZ firmed a penny to 687p, in light The market has been eagerly

waiting to see how MB-Cara-don would use the proceeds from the sale earlier this year, of its stake in Carnaud Metalhox, the French packaging group though fears of a rights issue to help finance an acquisition remain. Mr Robert Donald at Nat-

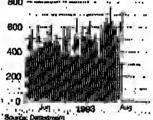
West Securities said he thought there would be a deal with RTZ but cautioned: "the key question is. will it be sufficiently earnings enhancing to justify the share price, and for that to happan it needs to acquire £1.25p of sales for every £1 it invests."

Whitbread slips

In a weak drinks sector. Whithread lost further ground as NatWest Securities reiterated its negative stance on the stock. The shares have fallen from 533p on Friday to close yesterday at 499p, down 10 on the day. Mr Geoff Collyer, drinks analyst at NatWest said concerns persisted over the damage being done to revenues by supermarkets switching from domestic to Continental suppliers. He added that because Whithread was standing at a 10 per cent premium to the sector, investors looking to

Equity Shares Traded

FT-A All-Share Index



the stock an obvious candidate. Following firm results on Friday, Unilever stormed 1006p, belped by a strong "buy" note from Strauss Turn-bull. The broker pointed out that, as well as positive results, the stock has significantly underperformed the market

this year. Among food retailers, Tesco rasponded to some healthy weekend press comment that the shares looked oversold. They climbed 91/4 to 233p. A brighter outlook for the discount end of the market was also being commented on Shoprite Group added 5 to 159p

and Kwik Save grew 6 to 688p. Among stores, results from Argos were accompanied by a cautious statement and the shares drifted back 10 to 328p. The stock had raced ahead prior to the figures and, in the absence of anything startling, dealers said it was due a cor-

Another stock to enjoy a good run, Sears, also ran into profit-taking, with NatWest Securities negative. Although, positive on the sector in the short-term, the broker is also cautious on Boots, a penny down at 474p, and W.H. Smith, 3 off at 469p. HSBC was the pick of a gen-

erally strong banking sector, the shares building on their recent strong performance and

FINANCIAL TIMES EQUITY INDICES

Aun 13

37,573

Year Aug 18 Aug 13 Aug 12 Aug 11 Aug 10 ago

 Ordinary share
 2347.6
 2360.7
 2369.2
 2379.1
 2380.3
 1766.2
 2379.1
 2124.7

 Ord. the yield
 3.94
 3.92
 3.90
 3.89
 3.91
 5.11
 4.52
 3.88

 Earning yid % hall
 4.75
 4.72
 4.70
 4.68
 4.71
 7.47
 6.38
 4.67

 PVE ratio net
 28.93
 27.09
 27.20
 27.29
 27.12
 17.01
 23.32
 19.40

 PNE ratio net
 24.90
 25.06
 25.16
 25.23
 25.08
 15.90
 23.32
 18.14

 Cold Minus
 198.3
 190.4
 201.1
 207.4
 211.2
 81.8
 249.2
 60.0

Ter. 1963. Ordinary share index since complication; high 2379.1 11/8/63 - los 4, 4 26/6/40.
Gold Mines index since compassion high: 734.7 15/2/63 - low 40.5 24/10/71
Sees. Ordinary share 1/7/35; Gold Mines 12/9/55.

Open 0.00 10.00 11.00 12.00 19.00 14.00 15.00 16.00 High

Aug 12

2353.1 2350.9 2359.3 2369.8 2353.3 2356.8 2357.0 2352.2 2352.9 2363.7 2347.5

45,250 45,535 1553.5 2183,9 52,190 51,616 690 6 887.9

London report and latest Share Index Tel. 0891 123001, Calls charged at 36p/minute cheap rate. 48p at all other times

Aug 11

37.797 1824.7 42,568 709.2

769p, before closing a net 9 uo at 965p. Dealers said the hig international institutions had continued to chase the shares because of the recent strong profits performance from Standard Chartered and the outstanding prospects for the Pacific Rim area. HSBC is scheduled to announce interim figures on August 31. Abbey National's decision to sell its Cornerstone estate

pushing up to touch a record

agency husiness for £8m, involving the bank in a write down of £30m in its second half, saw Abbey shares only marginally affected affected and finally around 4 down at 401p ex-dividend. The burst of huying interest that drove British Gas shares sharply higher last week, amid

suggestions that today's Monopolies Commission report into the gas supply and trans-port industry will not recom-mend a hreak up of Gas, foundered yesterday as nervous fund managers locked in some of the profits garnered in the past couple of months.

British Gas shares settled 9 energy specialist described as disappointing turnover of 8.0m.
The market doesn't really care about anything else other than the company's ability to pay the dividend and its ability to increase that payment," said

an analyst. BP failed to respond to reports of a major drilling success in Vletnam, the shares settling little changed at 303p ex-dividend. "The Vietnam sto-ries are old news" said one specialist. Shell edged up 21/2 to

463p. Enterprise Oil, whose shares were given a mauling by the market last week after news of the resignation of Mr John Walmsley and also following a hearish review of the company hy Hoare Govettt, staged a rally, closing I1 higher at 440p. Aran Energy eged up 1/4 to 34p on relatively heavy turnover of 1.5m with speculators

said to be increasingly optimis tic about the group's drilling operations in the Celtic Sea. Fears that British Aerospace's negotiations with Taiwan over their regional jets joint venture may he facing difficulties weakened BAe. The

shares fell 5 to 453p. Overseas buyers were seen late in the session for aero-en-

" High " Low

LONDON SHARE SERVICE **BRITISH FUNDS - Cont. BRITISH FUNDS BRITISH FUNDS - Cont.** Notes Price C - 1006/2 (006/2 107/3 107/4 126/2 d 124/2 d 79/2 117/3 117/3 117/3 105/4 105/4 110/3 26/4 143/2 7.41 7.42 8.27 9.20 4.38 8.09 8.09 7.44 7.57 9.09 7.70 7.72 9.39 Duer Fifteen Years Teast Spc 1008 24 ... Spc 2008 024 ... Spc 2008 024 ... Spc 2009 3011 34 ... Teast Spc 201224 ... Teast Spc 201324 ... Teast Spc 201324 ... T 4 pc 2012-154 ... Teast Spc 201324 .. - la 11513 - la 77111 - la 10612 - la 11613 - la 11614 - la 11614 - la 10614 - la 11614 - la 11614 - la 11614 OTHER FIXED INTEREST A Motes A Motes A Motes A Motes A Motes A Motes Dev 104 pc 2009 S Braam 114 pc 5012 ... Feland Cap 1996 ... 130c 97-2 ... 1 19213 12413 12413 12413 1241 130 15914 14712 12712 12712 12712 13214 147 Five to Filtrea Years Tress 15-pc 19011 ... Earl 12-pc 1995 ... Tress 9-pc 199611 ... Ears 12-pc 1998 ... Iress 101-pc 1999 ... Comerance 101-pc 1999 ... Governmen 101-pc 1999 ... Iress 13-pc 2000 ... Idea 2001 ... Idea 2001 ... Page 2001 ... 13915 1233 11.23 1233 1185 8.78 11234 1093 8.79 1254 1253 8.79 1184 1175 8.89 1185 1175 8.80 1125 125 9.80 118 10912 8.48 276 175 6.22 1186 1085 8.28

CROSSWORD

No.8,230 Set by FETTLER

for love (8) 12 Curiously. I smear to wipe out (81

16 Such dress is custom made out east (7)
20 So to speak, after stressful

ACROSS
1 British philosopher, one

starts (7) 21 She follows Pip any afternoon (4) 25 Involve English with Latin 26 Remain erect! A way to 18 Boarded ship in the eastern

attain par (8)

28 Potent mixture the French used when camping (8)

Mediterranean (8)

Mediterranean (8)

19 . . . Sea, ehhing in fear of a whole people (8) used when camping (8)
29 Honest digger, kind sort,
expressing hesitation (6)

30 One steeped in Burgundy, yet perfectly literate (4-1) 31 Carriage, possibly bired by 24 Treen 1 maoufactured clubs (6)

JOTTER PAD

1 Ass gave shelter to an alieo who is harsh voiced (6) traitor (8)
4 With knowing nod, I vote 2 It's said that a girl tricked a water boa 181 9 What actress nearly kicked over 161
10 Battle statioo 18)
3 Works hard, like professiooals, but less quietly 16)
5 The lancers have dash 14)

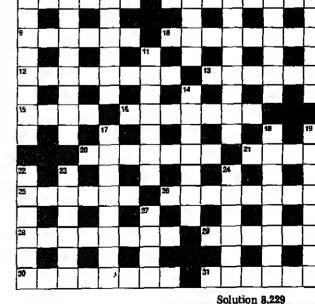
6 Won, after the sixth ball arrived (8) 13 Sun, with chemical energy, produced this system (6) unwelcome (3,3) 8 There's nothing in bouquets 8 There's nothing in bouquets representative of marriage bonds (6) 11 Guides cars (7)

14 Judicially confirms at trials 17 Such as Salome? Her head's one that's ready for a fall

22 Holy man, in poverty resided (6)

23 Position that most accestors adopted (6) intact (6)

27 Excuse the bit of leaf in the vegeta**ble** (4)





mid-day, although there was A late dip saw September

A QUIET opening to the new resistance point in the post-3,000 era. Dealers said the rise account saw turnover in the derivatives markets slip back was even more impressive in directionless trading, writes given the 10 or so points that Christopher Price. were taken out of the index However, husiness in the September FT-SE contract

opened lively enough, with traders half expecting another rousing session. The contract, having opened at 3,020, was hought up to challenge the thus began to drift off towards for dealers to focus on.

enough buying interest to sustain the contract above the

Another rally took the con-tract up to 3,031, its high of the day before again falling back. A etrong Wall Street failed to inspire any further attempt, offset by weak gilts and a general lack of events

In traded options, turnover

Prost of the Control of the Control

Amaged Control

Appendix President Control

Appendix Presi

在2514年5677年以来174年6日,1860年186日 1860年186日 1860年 Agua Co 2001
Angua TV NE
Brack (A & C)
B Mescal Bulletin. # Harrio Radio Prescon. # Mescal # Harrio Radio Radi

1

1993 bigb knw 45 35 150 42 46 27 38 24 92 74 96 41 12.5 38 31.3 42 331.6 79 409.5 60 84.0 10.6 365.9 5.1 22.6 40 585 6001₂ 325 15.8 4.9 | Main |

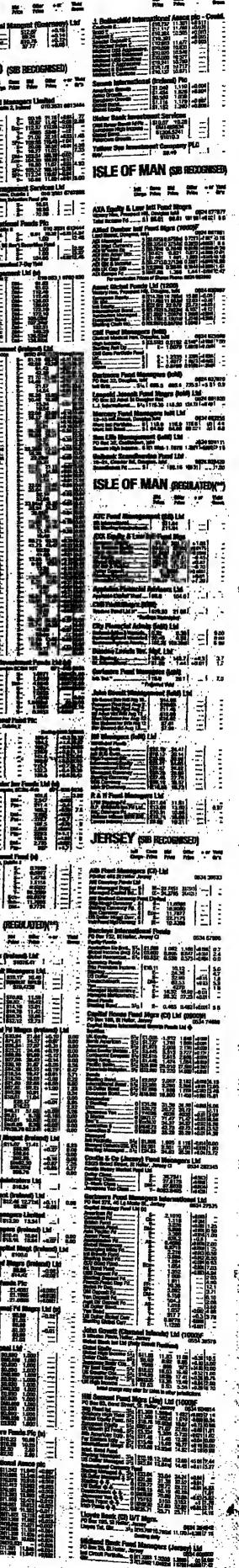
A Vield based on annusticed dividend on prospectus or other efficies estimates. a Centra, in Flour report of the Central Payment of English Issue pending extended a special estimates for presument dividend presument. I indicated dividend contacted a special estimates for the central estimates for the ce This service is available to companies whose shares are regularly indeed in the United Klapdom for a loss of \$1225 a year for each security shows, subject to the Editor's abscretion FT Free Annual Reports Service
You can obtain the current annual/interim report of
any company annotated with \$. Ring 081 643
7181 (open 24 hours including weekends) or fax
081 770 3822, quoting the code FT8846. (If calling
from outside UK, draf +44 81 643 7181 or fax +44
81 770 3822 Reports will be sent the next working day, subject to availability, if faxing please
remember to state the weekly changing FT code
above and also your post code. FT Cityline Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription \$250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

ř

Compare Comp	2 157 5 165.8	Yer
INSURANCES INSURA	The content of the	194445881 IM



| Second Content | Content

Recemberry Merragement SA (a)

\$10.25 \$10.25 \$10.25

Hasanbichlor Asset Managacient Crabil
Commonities EC Aug & BASSS
Commonities EC Aug & BASSS
STORY & STORY APT Extra Figs Aug & STORY & STORY & BASSES AUG & STORY & ST

PFC Internal Portfolio Fd Mingt Ltd
Specialis Growth Fd ... \$3.19
Biotense Growth Fd ... \$7.72
Stating Rocking Fd ... \$1.70
stating look Fd ... \$10.33
PFC-LCG 40 Cons. \$10.33
PFC LOG 260 Fints. \$10.30
PFC Copyrame Man Praise. \$12.23 64.16 814.47 510 13 51 4.16 510.45 511.56 511.57 610.76 510.56 510.76 510.56 510.76

Valu-Trac Investment Management Ltd Valu-Trac Cobel 60 7st | \$10.92 | 11 56 | -0.07 | Valu-Trac Cobel Ety Tst | \$10.51 | 10.53 | +0.16 |

Odey Asset Munagement Ltd
Oney European | Dichet 28 | | |
Othi Irronsides Interpational Ltd
Othi Irronsides Interpational Ltd
Othi Irronsides Interpational Ltd

Option From Management
Option The Management
Option The Management
Option The Management
Option The Management
St. 74

-0.10

Öğünü Shori fe nivî Aug 61 38.74 1 1
Orbis İnvestiranı Managerinini Liril
Orbis Qakod Griy 1516.42 19.20 ...
Orbis Davrası Eyry 1516.42 19.20 ...
Orbis Davrası Eyry 1516.42 19.20 ...
Orbis Davrası Eyry 1516.41 30.37 ...
Pelcas on Aug 17 Heat Mading August 18 Westley Prisma
Orbitus Ballanman Life
Orbitus August 18 Mading August 18 Westley Prisma
Orbitus Gavern Fund 157 91.12 07.35.1 ...
Orbitus Gavern Fund 157 91.12 07.35.1 ...
Orbitus Reput Gavern Fund 158.4 ...
Orbitus Gavern Fund 158.4 ...

ORIENT Growth Fd

PFC Dynamic late Probe
PFS International
PFS Internation
PFS Inter

The Victorian By ref. Stroke 19. 40.79

Whit-Inc Gette 19. 17. 15.0.3 1 10.33 -0.16

The Victorian Fund Limited
Linyle Back Fund Resembly Left
Way and Manager 6 - 15.00.75 100.59 +0.48
Wardley Investment Services Left
Lygners Warmen - 50.48 1.00 +0.48
Wardley Investment Services Left
Lygners Warmen - 50.17 10.00 +0.00
Envisore Warmen - 50.17 10.00 +0.00
Manager - 15.00 -0.00

LIFFE LONG GILT FUTURES OPTIONS

2-45 2-08 1-41 1-15 0-58 0-42 0-30 0-21

Sec 2-07 1-17 0-40 0-15 0-05 0-01

LONDON (LIFFE)

97,63 97,72

97.12 97.30

\$ 58891 (57486) pen Int. 205785 (201199)

MEDMIN TERM GERMAN SOYT.

DM250,000 100ths of 100%

1016 HEgh Low Pr

1.30 100.65 100.30 100

1.43 100.73 100.73 100

volume 2339 (1563) tay's open int 17307 (17404)

12% BOTTOMAL STALIAM GOVT, 80MD (877) LSRA 250m 1005s of 10075 Close High Low Sep 11170 112.30 111.65 11 Dec 111.30 111.92 111.35 11

Estimated volume 12310 (18127) Previous day's open int, 64189 (61523) 10% NOTIONAL SPANSH COVT. SORD (BUNDS)
Pta 20m 190ms of 100%

Close High Low Prev

High Low 94.30 94.24 94.73 94.69 94.77 94.73 94.68 94 63 94.47 94.44

Estimated volume 1148 (1953) Previous day's open Int. 32738 (30882)

Estimated volume 5545 (3817) Provous day's Open int. 52186 (51765)

Close High Low 91 13 91 29 91 00 91.93 92.04 91.92 92.36 92.54 92.56 92.56

Close Hugh Law Prev 3013 0 3031 5 3011 0 3021 0 3035 0 3047 0 3042 0 3042.0 3048 0 3056 0

Estimates volume 9468 (9352) Provious day's open int. 55203 (55617)

" Contracts traded on APT Cleany prices struent.

FT-SE 100 INDEX

92.79 93.84 94.29 94.37

96.72 96.39 96.35

95.70 96.37 96.32 96.64

HREE MONTH STEPLING

FINANCIAL FUTURES AND OPTIONS

FOREIGN EXCHANGES

Fears of capital controls

EUROPEAN exchange rate movements were comparatively calm yesterday because of the mid-August holiday in some centres, hut several currency analysts spoke of con-cern about the prospect of capital controls being introduced on the continent, writes James

The French franc weakened hy about a centime at the start of yesterday's trading, piercing the FFr3.54 level to the D-Mark. It later closed at FFr3.544. The Danish krone traded comparatively calmly, closing at DKr4.1311, having been at DKr4.1566 earlier in the

day.

Despite the thin trading in European currencies, some analysts said that they had been deluged with calls from US and Asian customers who were concerned about the prospect of capital controls heing re-introduced in France.

They said that alerm had been raised by President Francois Mitterrand's comments at the weekend, talking about the need to light "plots of money. This followed comments last week from the French and Belgian governments about the need to control capital flows. One analyst said vesterday: "I can never reusember a time

£ IN NEW YORK

Aug 16	Latest	Previous Closa		
E Spot	1.4815 - 1 4825 0 36 - 0.37µm 0 96 - 0.96pm 2 70 - 2 60pm	1 4500 1.4600 0 36 6 35pm 0 98 0 96pm 2 63 2 55pm		

		Aug 16	Previous
8.30	э л г	80.0	804
900	Jm	.99	40.4
10 00	मा	799	80.4
11 00	391	799	80 4
Nagn.		199	80 5
1.00	pq1	800	60 5
2.00	per	50 0	80 4
3 00	pri	60 2	803
4 00	om	803	000

CURRENCY RATES

Aug 16	Sark Se	Enamely Rights	European † European † Unit
Stefing If 5 Dollar Lindsfan 5 — Audrika 5 ch Audrika 6 c	.0000000000000000000000000000000000000	U 953252 1 29534 1 35340 1 55340 51 2701 5 1 2701 2 3456 4 56645 2011 70 14 156 1 5 125 2 12967 2 12967 2 12967 2 12967 2 12967 2 12967 2 12967 2 12967	0.764995 1.11883 1.46925 40.7814 7.91917 1.90617 1.90617 1.44394 6.76501 1.832111 1.56.852 2.11176 1.76995 267.459 6.61937
iii Banh rahi rete These are not ou † European Com • All SBR rates .	かけい (で) (1) (1人)の2001	ne i Gu. Spiem 2 Mulicians	nd False. nd Ireland

CURRENCY MOVEMENTS

Aug lei	Bank of England Index	Morgan Guaranty Changes &
Storling U.S. Dollar U.S. Dollar Austrian Schaling Bedgen Franc Danlah Krone D-Mark Seels: Franc Duten Gudder Franc Liro Yen Pespeta	80 3 05 3 91.7 114 1 111 6 109 2 124 4 112 8 119 0 104 4 173 6 83 9	-39.40 -11.50 -10.09 +16.33 +1.03 +4.43 +37.35 +21.45 -10.67 +31.49 +33.29 -35.38

Margan Guaranty change: average 1980-1982-100. Bank of Englang (Base

Aug 16 ·	1	5
		0000 - Deec D . D
Australia . 3	1655 • 2.19/	5 14755 - 14765
Brazil 120	1205 1202	25,31 8020 - 81 8940
Finland 31	6179 - 8 645	5 ' 9 2700 - 5.8900
Greece 144	900 - 351 9	00 238 150 + 240 950
Hone hone 111	3710 - 11 395	30" 1 7525 - 7 7535
Iran	500 · 2315	CO: 1582 Od + 1924 CO
Koreacathi . 113		201 806-CO + 812-400
		10:0 30070 - 3 70120
Malaysia 1	295 1 7.16	5 25505 - 25515
Menco 4	5100 - 4573	
	65/5 2/63	
	1975 - 5508	
	15.55 - 2 3G):	
	9410 4 552	
CARREN I G		
	9 54 + 00 65 3770 + 5 559	26 90 - 27 00
UAE 5:	21/20 - 2 325	0 : 16715 - 16735

MONEY MARKETS

GERMAN call money fell below the Bundesbank's offi-

cial discount rate level again

yesterday, although there was

little expectation that the German central bank would

announce a lower fixed rate

repo this week, writes James

The fall in the cost of over-

night lending in Germany, to 6.65-6.70 per cent yesterday

from 6.70-6.80 per cent on Pri-

day, was the result of easier couditions in the German

UK clearing bank base lending rate

6 per cent from January 26, 1993

Some dealers said that only a

modest amount of August's tax payments had come into the banks yesterday morning.

The last repo rate was set at 6.80 per cem for 14 day tunds.

But many dealers expected the Bundeshank to set a similar

price for funds today.

Euromark futures continued

to reflect a pessimistic outlook

for German rate cuts with the September contract falling 4

The French domestic interest rate market was shut yesterday because of the mid-August holiday. But one

dealer in London pointed out that there had been a marked rise in Euro interest rates over the last 3 trading days, putting

basis points to close at 93.49.

money market.

DM call money down

when I have received so many calls in one day on a single issue." Mr Steve Hannah, chief economist at IBJ International in London, said that the reimposition of capital controls was extremely unlikely. But the move, he said, would bring such a strong downturn in

European asset markets that investors might hedge their positions in any case. Sterling performed quite strongly against the D-Mark. gaining half a pfennig to close at DM2.5025.

The pound has lost about 2 percentage points on its trade weighted Index in the last week amid speculation that Britain would cut interest rates. But, according to one analyst, a 1 percentage point cut in UK interest rates has now been fully priced into the

The dollar weakened sharply against the D-Mark yesterday afternoon in Europe, dropping at one stage to a low of

DM1 6845 It later closed in London at DM1.6865, nearly 214 pfennigs down on the day. Some dealer were mystified

hy the move, coming after July's industrial output figures which showed an expected monthly rise of 0.4 per cent. Others said it was e delayed reaction to the dollar's weak-

ness against the yen, which

continued yesterday.

Despite heavy intervention from the Bank of Japan, the yen climbed to a new post-war high of Y100.80 against the dollar at the start of European trading. It later fell back to close at Y101.05. But there was little doubt that the Japanese currency would reach the Y100 level before too long.

Some analysts expressed surprise that the yen was clim-hing so far despite talk of a cut in the Japanese discount rate and lethargic economic activity. In the past week, Japanese call money has fallen from to 34 per cent from 31/2 per cent.

	Ecu Central Rales	Currency Amounts Against Ecu Aug 16	% Change from Central Rate	* Spread vs Weakest Currency	Overgence fadicator‡
utch Guilder	219672	2.14894	-2.16	8.80	
Atari	1,94964 0,808628	1 90817 6 818937	-213 127	0.75 5.02	<u>.</u>
elatan Franc	40.2123	40 7814	142	4.95	-10
artiguese Escudo	192,854	196.388	183	4 62	-12
punish Peccia	154 250	158.652	2.98	3 35	-21 -29 -44
ench Frank	6.53963	0.78501	146	2.67	-29
anish krone	7.43679	791517	0.43	0.00	-44

25% hand	between the Dutch	Guilder and 13-Mark.				
POU	ND SPOT	- FORWAR	RD AGAIN	ST T	HE POUN	D
Aug 16	Day's spread	Closw	One month	146 DA	Three	92
S	14600 - 1.4850	1.4835 - 1 4845	0.38-0.36cpm	289	098-0.75pm	260
anade	1.9175 - 1.9530	1.9495 - 1.9505	0 19-0.06cpm	677	0.51-0.25041	0.79
ethertmis :	28050 - 28250	26125 - 26225	4-4000	20.04	4- 10th	-0.71
eligium	53.15 - 53 35	53.35 - 53.45	20-11cds	-673	40-5809	-3.67
emmerk	10.3125 - 10 3900	10 3450 - 10.3650	6-97ameds	-9.20	113-1865	-5.72
eLond	1 0085 - 1.0750	1 0740 - 1,0750	0.09-0.14008	-128 i	0 23-0 31dk	-1.01
empany .	24900 - 25060	25000 - 25000	1-1-1000S	-0.90	in-locks	-0.70
leputro	256 90 - 798.00	257 00 - 258 00	122-135cds	-599	342-38466	-5.54
1261	207 00 - 208.60	208.25 - 208.55	92-106cda	-570	251-27044	-6.00
	2374 00 . 2386 50	2382.75 - 2383.75	6-80reds	-350	19-2201	-144
OFFICE	10 8400 - 16 9375	16 9125 - 10 9225	2₀-3 _e crepin	0.69	12000	0 23
ance	8 8300 · 6.0750	8.6625 - 6 6725	34-4400	-5 41	54-6404	-2.79
neden	11 9025 - 11 8775	11 9275 - 11 9375	14-34006	-245	4%-6ds	-1.60
3031	147.25 - 150.50	149.50 - 150.50	12-32900	350	123-10m	283
ustra	17 53 - 17 74	1761 - 1764	4-2120 uda	1 111	2-51-06	-086
		11 41 - 11 44	4.5.7000	1 *: 4!	-9-005	-0.60

Eau	1.2115 - 1.2190	1,3165 - 1 3175	6.30-6.36cds	-30i	0.63-0.6945	20
Commercial (2,70-2,60pm	ates taken temanda	the end of Landon tr	ading. So-month to	neard do	tar 1,65-1,60pm	2 Mod
DOL	AR SPOT	- FORWA	RD AGAIN	ST 1	HE DOLL	AR
Aug 16	Day's speed	Clase	Gree menth	94	Three months	02
UK† Letanut Cansula Netherlands Pelgium	1,3105 - 1,3178 1,9970 - 1,3230 35.90 - 36.45	1 4835 - 1 4845 1 3795 - 1 3805 1 3140 - 1 3150 1 8960 - 1 28990 35 95 - 36 05	0.38-0.35cpm 0.54-0.49cpm 0.16-0.22c0s 0.65-0.68cde 24-30cm	299 448 -183 -426 -900	0.98-0.95pm 1.35-1.25pm 0.56-0.65du 1.60-1.67ds 53-67ds	26 37 -18 -34 -66
Germany Perhigal	6 9700 - 7,0775 1 6860 - 1,7075 173 65 - 176 45	6.9775 - 6.9775 1.6860 - 1,6870 173.80 - 173.90	5.00-7.50 reds 0 57-0.59 ptds 133-14 teds	10.75 -4.13 -9.46	13,00-16 500a 1 45-1,47da 350-370da	-90 -3.4 -4.3

C15001	1.3615 - 1.3805	13/20 38/00	U 54-0 4900m	4.48	1,35-1,25601	377
March	1.3105 - 1.3178	1 3140 - 1 3150	0,16-0 23000	-1 83	0 59-0 65-00	-1 84
letherhous.	18970 - 1.3730	1 8960 - 1 2990	0 65-0 68cdis	4.26	1 60-1 674/5	-344
elgium	26.90 - 36 45	35 95 - 36 05	24-30mm	-9.00	53-6744	-6 67
lemmark	6 9700 - 7,0775	6.97.5 - 6.97.5	5.00-7.50credis	-10.75	13.00-16 50:00	-9 01 -3.46
idmany	1 6860 - 1,7075	1.6860 - 1.6870	0 57-0.59mals	4.13	1 45-1.47@1	-3.46
ortugal	173 65 - 176 45	173.80 - 173.90	133-141cds	-9.46	350-370da	-8.28
ipotin	140.95 - 141.90	140 95 - 141 05	102-107cds	-6.89	2773-2773481	-7.62
Carly	1605.00 - 162H 50	1605.75 - 1606.25	9.30-3.80 reds	-7.14	24.50-25.50ms	-6.71
iorna.	7 3550 - 7 4575	7 3550 - 7 3600	1.80-2.10arcdt	-3 18	4 70-5 40db	-215
TJIK4	\$ 9775 - 6,0550	\$9775 - 59775	4.05-4 30cder	-6 M	8.20-6 70ds	-6 66
Anden	8.0350 - 8.1879	8 0075 - 8.0425	3.50-4,10oredis	-0.79	8 70-9.70ds	4.58 0.24
30an	100.75 - 101 45	101.00 - 101.10	O.D. 1 tord - par	0.08	0 07-0 05pm	0.24
wanti	11 9700 - 12,0075	11 9750 • 11,9800	3.70-5.00grads	-4.36	9 40 -12 3005	-377
wit erland	1.4960 - 1.5250	1.4900 - 1,4990	0.22-0.35009	-1.68	0.55-0.61@4	-1.55
cut	1.1110 - 1.1290	1 1275 - 1.1385	0,57-0,55cpm	5.96	1.30-1.28pm	4.57
Commencial of Constant pren	rates taken formerds t rakental and discounts	the end of Landon ba apply to the US doll	iding, † UN, treland or and nor to the i	and Eco nainthusi	currency.	ителсу.
	FHRO-C	IRRENCY	INTERES	TP	ATES	

Aug 14	Short	7 Days feabou	Orne Mexistra	Three Months	Str Months	One Year
Pentry Explore Fin Dellar Unch Guider Herric Herr	54, 559 14, 349 412, 443 549, 549 614, 614 614, 614 1112, 111 349, 349 1112, 111 111, 102 111, 103 111, 103	5% - 5% 34% - 2 4% - 44% 7 - 6% 514 - 51 617 - 617 11 - 107 11 - 11 317 - 217 1149 - 117 1149 - 117 1149 - 117	57-57-57-57-57-57-57-57-57-57-57-57-57-5	515 - 514 - 415 -	######################################	54 54 54 54 54 54 54 54 54 54 54 54 54 5

	_												
	_		EXCHANGE CROSS RATES										
Aug.16	£	s	MO	Yen	F Fr.	S Pt.	N FL	Ura	S	6 Fr	Pts	Ecu	
E	1	1.484	2 502	150.0	0.967	2.225	2017	2363	1.950	53.46	308 4	1.311	
5	Q 674	1	1 686	101 1	5 975	1.499	1.696	1606	1.314	35.96	140 4	0 886	
DM	0.400	0 593	1	50 95	3544	0 859	1 126	952.4	0.779	21.34	63.29	0.526	
YEN	6 667	9 833	16.68	1000.	59.11	14.53	18.78	15887	13.00	356 0	1369	6 780	
F Fr.	1 128	1 874	2877	169.2	10	2.509	3 177	2587	2.199	60 22	235.6	1 465	
3 Fr.	0.449	0 E67	1 124	87 42	J 985	1	1.56	1071	0.876	.74.00	93 66	0 592	
N FL	0.355	0 527	0.358	53 25	3 148	0.790	1	845.9	0.692	16.96	7398	0 458	
Lira	0 430	0.623	1 050	62.95	3.:21	0.934	1.182	1000.	0618	22.41	81.45	0 553	
				-				4000		-		2 3 3 7 7	

C S 6 Fr. Pts Ecu	0 430 0.513 1 873 0 400 0 759	2779 0712	1 050 1 283 4 685 1 201 1,900	75 92	4 547 16 60 4 255	1 141 4 107 1 068	1.182 1.445 5.275 1.352 2.139	1202 4463 1143	0.618 3.652 0.338 1.481	27 38 100 25 62 40.55	87,45 106 9 390 3 160, 156 2	0 553 0 615 2 466 0 632	POUND FT FOREIGN				
Y-n per	1,000:	French	Fr. per	10: Lea	per 1,0	OO: Bolg	dan Fr.	per 100	Peseta	per 10	0.		560f 1 ±240	1-cm2 1 480J	3-mm. 1,4744	6-mh. 1-4679	13-min 14515
Ŧ								F	T L	ONE	ON	INT	ERBA	NK F	XIN	G	
no	T 7	A		(/ P)		ī	1100 3	LIT. AU	16)	3 mar	dhs US	dollars		is manths	US DOT	25.	

offer 314 tic 3,4 The fiving rates are the arithmetic means rounded to the nearest one-protectift, of the bid and offered rates for Stom qualted to the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank. Bank of Tokyo. Deutsche Bank. Banque Hauseral de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK			Treasury Bills and Bonds											
Lunchitme		One month		236 Thi 299 Fix	ee hin	436								
Prime rate Broker loan rate Fed funds Fed lunds at interven	3.5		71	3 15 Set 3 21 10-	Auga	5.04 5.31 5.69 6.33								
Aug 16	Overnigh1	Ona Month	Tvzo Menths	Times Months	Sir Months	Lombard Intervention								
Frankdurt	9.05-675 94-94	6 65-6.75 9.05-9 45	5.60-670	6 45-6 55		7.75 675								
Startich	5-54	4/2-4/2		4.3 4		9.3								
Amsterdam		6.75-6.65		4.4-4; 6 45-6 55										
Tokyo	32-35	-	[-	-										
Milan	371-317	4, 9,2	-	dr: -812	-	-								
Brussels		11-11-2		9.4-9.4		-								
Oublin	6.64	67-74	650-6 g	653-6	612.64	-								

exchange rate mechanism. Ou Sunday, President François Mitterrand of France issued a particularly strong

attack on the way in which currency market speculation had foundered the ERM. However, others pointed out that the differential might have been the result of distortions created by the

them well above the level of

France's domestic rates. These

rates reflect the cost of

borrowing and depositing

French francs offshore. Three month French

Euro-francs were quoted yesterday at 8.50 per cent, well above their Thursday level of

7.87 per cent. By coutrast, 3

month domestic French francs were quoted at hetween 8.06

per cent and 8.31 per cent on

The dealer wondered

whether the rise in Euro rates

had been the result of concerns

that France might introduce

in the wake of the crisis in the

Friday.

market would come into line Sterling markets were comparatively quiet. The September short sterling contract dropped 4 basis points to close at 94.25. Three-month sterling cash was more or less unchanged at around 5% per cent. There was a daily

shortage of £1.7hn.

holiday, and that the domestic

(Ine 5|| 5|| 5|| 5|| 6-4 5/2 51/ 51/ 51/ 5 4 5 1 511 512 513

3 (1.4 4.6 71:

MONEY MARKET FUNDS

Money Market Trust Funds

LIFFE SOME FUTURES OFFICE DRIZSE,909 paints of 198%

Sen 1.20 0.71 0.31 0.09 0.02 0.01 0.01

1.84 1.30 0.99 0.74 0.53 0.39 0.27 0.10

0.99 0.76 0.56 0.37 0.23 0.15 0.06

Sep 0.01 0.02 0.12 0.40 0.83 1.32 1.82 2.31

High Low 96.73 98.72 96.41 98.35 96.35 96.32 96.09 96.06 95.76 96.78 95.34 96.30 95.23 95.20 95.00 94.88

540 0.02 0.03 0.06 0.19 0.42 0.66 0.90 1.16

DEFFE STALLAN GOVT, BOND (STF) PUTCHES OPTIONS Lira 200m 190ma of 1009

U.S. TREASURY BONDS (CBT) 8% \$100,000 32000 of 100%

PHILADELPHIA SE 2/5 OFTICHS 231,256 (cents per £1)

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATE) FUTURES (Aug.12)

THREE-MONTH PIECE FUTURES (MATER) (Parts Interbook offered rate) (Aug. 12)

High 122.65 122.26 125.20

Low 122.44 122.06 125.04

118.94

0.23 0.35 0.85

1.03 100,536

Mount Barking

Plouburghe Baris Ltd... 8 Royal Bit of Scotland ... 8 Smith & Wilmsn Secs. 6

Standard Chartered 6

OUnted Bk of Kuwaii 6

Unity Trust Bank Plc ... 6 Western Trust 6

Whiteaway Laidaw Wimbledon & Sin Wast

Yorkshire Bank 8

15,983

† Yield † Open Int 174,150 66,215 12,060

105,124 77,707 48,562 36,777

Open Sett price Chan 122.58 122.58 -0.1 122.12 122.24 -0.1 125.10 125.14 -0.1 107,307 † Total Open Inter

CAC-40 FUTURES (MATIF) Slock Index (Aug. 13)

September 117.32 117.34 -0.16 117.36 Estimated volume 2.194 † Total Open Interest 12,863

122 0.72 1.23 0.13
123 0.17 0.76 0.82
111.247 117.010 22.285 224.479
Essantated volume 26.029 † Total Open Interest 591,346
† Alf rield & Open Interest figures are for the previous day.

BASE LENDING RATES

●Robert Fleming & Co _ 6

Habib Bank AG Zwich 6

Hantable 6 Gen the Sk. 6

Lloyds Bank 6 Meghraj Bonk Ltd 6 McDarviet Dougles Bk. 6

OFTION ON LONG-TIPMS FRENCH BOND (MAITE) (Aug. 13)

2.55

ECU BOND DEATH) (Aug.13)

Adam 6 Company 6
Alled Trust Bank 6
Alle Bank 6
et lonry Ansbacher 8

88 C Monthant Bank .. 13 Bank of Baroda 9 Bonco Sibao Virtalya... 6 Bank of Cyprus 6

Credit Lyonnas 6

6irika Prks 1.425 1.450 1.475 1.500 1.525 1.550 1.575

PARIS

CHICAGO

Sep Dec Mar Asso Dec Mar Asso Dec

Money Market Bank Accounts

Green Het Coll hat Co 227 1.70 220 1.74 281 3.79 100 4125 5.04 Mg 137 458 137 458



o Heng Sank (Lundor) PLC Premier Acc Newman Street, WIP JLD 071-631

FX and GOLD 24 HR DEALING

MEMBER SFA Call now for further information

CAL Futures Ltd 162 Queen Victoria Screet London EC4V 4RS Tel: 071-329 3030 Fax: 071-329 3918

NO MORE DANCING! SATQUOTE 14 - Your single service for real time quotes. Futures * Options * Stocks * Forex * News * Via Satellite LONDON +71 329 3377 NEW YORK +212 2696636 FRANKFURT +4969 440071

FUTURES &OPTIONS TRADERS

Tel: +44 81 948 8316

BERKELEY FUTURES LIMITE 38 DOVER STREET, LONDON WIX SRB TEL: 071 629 1133 FAX: 071 485 0022

DO YOU WANT TO KNOW A SECRET? The LD.S. Gann Seminer will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gann can increase your profits and contain your losees. How? That's the secret. Ring 061 474 0080 to book your FREE place.



Currency Fax - FREE 2 week trial 652: Anne Whitby Tel. 071-734 7174 from Chart Analysis Ltd 7 Swrifow Steet, London W1A 7HD, UK -exchange rate specialists for over 29 years

FOREXIA FAX \$ DAILY FOREIGN EXCHANGE COMMENTARIES, CHARTS, FORECASTS AND RECOMMENDATIONS

Market Myths and Duff Forecasts for 1993 The US define will move higher, precious metall have been demonstrated. Japanete equilies are not in a new busitend. You dry NOT read that in Fuller/Maney - the isonoclastic investment letter. Call Jane Faraphaises for a sample listue (once entity). Tel: Landon 71 - 439 4761 (671) at ECO.





FINANCIAL TIMES

WORLD ACCOUNTING REPORT

coverage of changes in financial accounting worldwide. It reports and unalyses:

WORLD ACCOUNTING

REPORT provides

comprehensive and

authoritative monthly

* Shifting attitudes and responsibilities within the

profession * Programmes, publications and

policies of the main national and international accounting committees and regulatory bodies · including the IASC. FEE, IFAC, OECD and UN. National and international developments in accounting standards and practice from the viewpoint of the accountant in

industry. Business of the accountancy and auditing firms.

To receive a FREE sample copy contact:

Judith Harris. Marketing Department, Financial Times Newsletters. 126 Jermyn Street, London SWIY 4UJ England. Tel: (+44 71) 41) 4414 Fax: (+44 71) 411 4415

هكواسن الاصل

Austria			<u>_</u>	TOTILD GIO	CR MARKE 15
Angust 18 8cb + or - Austrian Artifico - 1,870 Bank Austria - 1,035 +5	Aspect 13 Pro. +or-	Angust 18 Oc. +er-	ACTIGATIONS	SWEDIEN (continued)	CANADA
1,005 65	Accor	Dalyrider-Bertz	August 18 Pia. + er- A B N Amro Holding - e5 + 50 AEB09 90.10 - 40 Ahold 94.10 + 2.30 AK20 176 + 2.30 - 80 Bot Whestern 39.50 + 50 CSM 99.40 + 20 Dordische Petr 174.20 + 50 Enbrist 153.60 - 60 Fotoar Dep Rece 92.80 - 60	Aspect 18	Sales Stock High Low Gloss Gray Sales Stock High Low Gloss Gray TORONTO Sales Stock High Low Gloss Gray 2000 Derson A 2412 2412 3775 Lobinu S2214 2212 2212 2212 2212 2212 2212 221
581.850845 TOTAL SECTION SECTI	1,205	Conservated (17th	State Special Content Sp	Samphilam B	21970 Author P \$12\\\\ \frac{1}{2}\) 12\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
Arrians 7,950 Arrians 4,030 BBL 3,975 Benk latt y Lox 15,825 Benk latt y Lox 22,325 Benk latt st Lox Pro 22,325 Benk latt st 1,00 Belsant 91,400 CBR Ciment 12,250 CAS 21,40	Crudit Loon 1 1/3 Crudit Loon	Not Decisions and	Noin Paintoned DeRcs 44.50 #50 Reafleyd #7.36 -80 -80 Reafleyd #7.36 -80 -80 Reafleyd #7.36 -80	Volvo A	20002 BC Surgar A 5934 612 612 612 612 612 613 613 613 613 613 613 613 613 613 613
Cockeyl Priv. 5.108 Cockeyl Priv. 133 Collist 5.210 Delhalas Priv Llon 1,338 Sectional APV 8,650 Bectrahel APV 8,650 Bectrahel APV 8,650 Bectrahel APV 9,650 Bectrahel APV 9,650 Bectrahel APV 9,650 Bectrahel APV 9,650	Section Sect	Lindipoe-Heil 415 -10 Lifeannia 151.50 +320 Lifeannia 170 PTI 144 +42 MAN Przf 296 +120 Marriennia 170 -206 +120 Marriennia 170 -320 +320 Marriennia 170 -550 +230 Marriennia 170 -550 +230 Marriennia 170 -550 +520 Marriennia 170 -550 -550	Romania	Munasca-Li Reg Sc1 Sc Baloisa (Fleg 2,060 +20 Brown Bower (Brg 338 -24 Brown Bower (Brg 165 -4 Cis Halor (Br -2,865 +10 Cis Berg (Br -741 -4 Cis Gelty (Reg -75 -17 Forbre (Bo Br -75 -17 Forbre (Br -800 -1 Cis Gelty (Reg -1 -1 -1 -1 -1 Cis Gelty (Reg	19400 Bractona A \$133_1 134_ 134_ 134_ 134_ 134_ 134_ 134_
Separate Barque	Caumori (Coc 16 772 773 773 773 773 773 774 775 77	Printing Kommun 150.80 4.00	Ampset 16 Ibraser + cr- Alor A Free	Harvis Hot: (Reg)	40800 Camerongs 515% 15% 15% 15% 17568 Hindfe OF S2012 2013 2013 2013 2013 2013 2013 2013
Powerfor	Listung Coppes 4,256 Listung Coppes 463 Listung Coppes 463 Listung Coppes 4,256 Listung Coppes 505 Listung C	Schmeibsch Lubees, 350, 20 + 2,97 Schmeibsch Lubees, 350, 20 + 2,97 Servers 950 + 11 Sud Chierule 480 Thysics 217, 50 - 2,37 Veda 325,70 - 30 Veda 277, 50 - 2,07 Versign-West 352 + 2	Rinder Stat A	Rocke (81)	600 Cardeniny \$291, 291, 212, 231, 13, 13, 13, 13, 13, 13, 13, 13, 13,
DEMORARY APPENDING TO THE TOTAL	Parts Resconges 437 Parts Resconges 437 Person Ricard 464,10 Paugset 570 Prosek Printange 780 Prosek Printange 780 Prosek Printange 780 Process 790 Paddouts 7,970 Richard 158	Vag. 451 -50 Voltawagen 32.30 -7.20 Voltawagen Prl 32.2 -1 Welle Prl 753 +1 Zenders Relipop 228 - ITALY Aspect 98 Line +ar- Banes Dygym 5,090 -50	Acquist 16 Pin. + 87— After Corp Fig. 5,060 -10 Arpendaris 5,860 -30 Burno Bisses Visc 3,255 +5 Burno Capal Hap 3,900 - Burno Diguile 11,5700 - Burno Sandarder 5,500 - Burno 5,500 -5 GPSA 2,210 +45 Carburno Metal 3,780 -	Schmare (Portices) 1,1950 -15 Substant (Partices) -770 Swiss Berk (Br) -482 +3 Swiss Berk (Br) -482 +3 Swiss Berk (Port) -889 +4 Swiss Renk (Port) -753 +14 Linkin Bark (Br) -1,218 +4 Winterfair (Reg) -646 +2 Zurich Ing (Br) -1,286 +10 SOUTH APPECA August 16 Rand +07-	4400 Cast Fd A SSS 65; 65; 65; 223, 23 20 20 20 20 20 20 20 20 20 20 20 20 20
Cartaberg A	Supara	Banca Nez Agric 3,280 -30 Banca di Rema 1,236 -34 Banca di Rema 1,236 -34 Barroo Larigno 3,900 +45 Barroo Larigno 22,725 Barroo 22,725 +30 Barroo (Cartière) 8,380 CR 1,730 +89 Catilaro Spa 1,475 +5 Cententir 1,510 +25 Catilaro Fin 1,300 +10	Catherna 7,850 +20 Dragados 2,040 +15 Biro Agricolas 1,250 +10 Biro Agricolas 1,250 +10 Bicra Visega 1,800 +50 Endase (61) 4,920 +50 Faces 666 -6 Grupo Duro Feig 66 -6 Grupo Duro Feig 770 +53 Hidroid Cartellor 2,280 -2 Bendrois 750 +2 Kolep 4,750 +30	ABSA 8.90 -05 AEC 11.80 +10 AEC 11.80 +10 Alied Tech 106 Anglo Am Corp 142 +2 Anglo Am Corp 142 +2 Anglo Am Sold 320 +10 Anglo Am Sold 320 +10 Beritor Rand 41 -75 Butfels 45 of 50 CNA Gold 30 CNA Go	NEW YORK DOW JONES Aug
Jyoke Banik Rug	Sunz (Clé de) 345.70	Credito helizzo	Motrovinces:	De Bener/Emineny 89 75 + 25 Destroyas Gold 9 + 25 Destroyas Gold 9 + 25 Destroyas Gold 9 + 25 East Rand Gold 9.25 + 55 East Rand Gold 9.25 + 85 Engen 37.75 + 70 First Rink Barik 76 First Stats Corts Gold 50.50 + 1.7 Sameer 11.40 Gold Fishts SA 96 + 1 Harrisony Gold 90 - 25	1885 08 1617-97 1830 07 1630 27 1853 08 1453.54 1881.68 123.57 1864 0864 1616 18 161
FUSI AND August 18 Mbcs +07 Amer A 115 -1 Cohor 1 142 +2 Enso R 42,90 -10 Hultberseid 1 194 KOP 16 -1 Kanko 37	Aspect 18 Des. + 67- ASS Ind & Work 563 -1 Aschen Mach (190 -1), 175 -5 Allenz A6 2,420 +20 Attree ted 545 +4 Asto 807 575 -	Silerdini	Vision 2 2 200 +20 Vision 1,770 +6 SWEDEN Aspect 18 Notes + α − ASA A 395 +2 ASA B 394 +4 Acon A. 493 −6	Hartsbeet 21.50 -1.50	Section Sect
Kone B	BASF - 289 +1 Paulichterit - 370 -5 Bayer - 298 20 +1,40 Bayer - 1900 - 450,50 -20 Bayer - 1900 - 450,50 -20 Bayer Versinaht - 48 -1 Backerderi - 770 +5 Berliner Bank - 330 -4 Barker Krott - 164,50 +4,52 Biff Bank - 478,50 -50 Biff Bank - 478,50 -50 Biff Bank - 551 -14	PAS 20,880 -120 Rinscends (a) 8,675 +58 SASIS Sps 7,066 +38 SIF 1,066 +38 SIF 1,190 +101 Safia A 4,530 +210 Saspan 4,237 +11 Saria 9,950 +40 Saspan 470 +29	Asma B	Renation final Set. 50 - 259 Feminicanat Gro. 22.75 - 25 Feminicanat Gro. 22.75 - 25 Feminicanat Gro. 22.75 - 25 Feminicanat Gro. 27 Feminicanat Gro. 27 Feminicanate O Renate. 76.50 Feminicanate O Renate. 76.50 Feminicanate O Renate. 76.50 Feminicanate O Femini	Computing the proof
Pagoda	Coloria Kuresen	Snis BPD 1,418 -14 Toro Asietur 23,120 +80 Toel Franco 27,000 +20 Unicom 9,500 +400 August 10 Year + 07	Reconstruct A 224 -3 becambe 8 223 -3 becambe 8 223 -3 breather A 144 -1 breather B 144 -1	Veral Revise	NEW YORK ACTIVE STOCKS TRADING ACTIVITY Stocks Closing Change Finday Exceptions A440,600 52 2 New York SE 212.752 272.864 266.135 Merck 3,509,000 2834 3,406,000 24 14 Messad 18.27 20.99 21.158 21.58
All populars 1,390 +10 All placon Braick ind 610 -9 All placon Afraeya 1,200 +30 All placon Afraeya 1,200 +30 All placon Afraeya 1,200 +30 Armada Co 1,940 -30 Armada Construction 871 +6 Anda Construction 871 +6 Anda Cop 1,170 -2 All placon 1,170 All placon 1,170 -2 All placon 1,170 -	Ne Notardo	Nition Notate	Tested Corp	Lond Linese	T2 Medical 3.256,700 7 1
Asan Brownersa	Japan Steet Works	Mappion Express	Yoe Goest Cheel Ind. 746 +5 Toolshirma Curp	Pacific Dunloy 4.97 + .07 Payscorbingstel	CANADA TORONTO Aug Aug Aug 1993 1993 1993 1993 1993 1993 1993 1993
Sarry Photon	Content Cont	Hippon Statuyo	Tokyama Sodis 585 +20 Tokya Barkid	Sgritto	Buce values of all indices are 100 except NYSE All Common - 50: Spandard and Poor's - 10; and Toronto Composite and Medias - 1000 Toronto indices based 1975 and Montreal Porticids AT/83. † Excluding ponds.; Thousated, plot lettilines, Prenegation of the Aphenda and Toronto Composite and Medias - 1000 Toronto indices based 1975 and Montreal Porticids AT/83. † Excluding ponds.; Thousand 1975 and Montreal Porticids AT/83. † Excluding ponds.; Thousand at 1975 and Montreal Porticids AT/83. † Excluding ponds.; Thousand AT/83. † Excluding ponds.; Though the At/83. † Excluding ponds.; Thousand AT/83. † Excl
Central Bisss	See	Hippon Yusen	Toliqui Carp	Workworths	TOKYO - Most Active Stocks Monday, August 16, 1993
Dalcot Chemical 590	Soyo Solico Ca	Mayla Boctric	Toylot Action Loom, 1,580 +30 Toylo King 1588 -1 Toylo Karetsu 808 -1 Toylo Karetsu 808 -1 Toylo Karetsu 802 +50 Toylo Matter 1,500 +20 Toylo Tarashtab. 617 -2 Toylo Tarashtab. 1,230 -10 Toyloto 818, 1,230 -10 Toyloto 818, 1,230 Tarashelm Chain Man 622 -5 Taugarni 548 +13	Crine Light	Stocks Closing Change Stocks Closing Change Traded Proper on they
Dai Répoin Print	Lion Corp	Caleston Electric Revy, 630 +18	UBE Intls	Handstron for	IS THIS YOUR OWN COPY
Bear Corp	Marrietti Stord 2,000 -10 Nrahate II Will 2,000 -10 Nrahate II Will 1,150 Nrahate II Will 1,150 Nrahate II Will 2,000 Nrahate II Will 2,000 Nrahate Refut 2,000 Nrahate Refut 3,000 Nrahate Refut 1,910 +10 Medi selfe Nrahate II Will 1,010 Nrahate II Will 2,050 Nrahate II	Perita Georgia 711 -8 Piones Elec 2,870 Prime Meet Pack 547 +7 Recover 925 -1 Ricol 783 -1 Rohm 2,990 -10 Royal 1,550 +30 Ryobl 604 -3	Varier Luby	Intrave and Mit	OF THE FINANCIAL TIMES? Or do you rely on seeing someone else's? Every day the FT reports on the topics
Full Spring S77 +20 Full Full S77 +3 Full Ful	Microbia Camprais	Saturs Bark	Volknisme (Bank) — 1,120 Volknisme Ribby — 550 — 3 Vorsitur Land — 1,190 — Voshikom Pherrar — 1,170 — Vuese Corp — 712 +12 Zessé Corp — 665 +1	Stri Cambridge (Co. 3.52 Stri Hong (Kei Co. 35.75 + 75 Strive Practice B. 6.70 + 18 Strive Practice B. 6.70 + 18 Strive Practice B. 6.70 + 18 Stripe Practice B. 6.70 + 10 World Intl. 10.10 + 10 Stripe Practice B. 6.70 + 10 Stripe B.	that matter to people doing business every day, in and from Europe. We cover the latest European, U.S. and international news, and analyse the implications from a European perspective. In fact you'll find far more than finance in the FT. No surprise then, that the Financial Times is read by over four times as many senior European businessmen and women as any other international newspaper.* Make sure you're one of them by getting your own copy of the newspaper
1.340	Intent Placks SE0 +1	Seino Tamarort	August 18 Aerst\$ +or- Aberhyle: 4.50 +.12 Afficiar 8.50 +.92 Aeroptics: 4.5318 Aeroptics: 4.5318 Aeroptics: 4.5318 Aeroptics: 4.5318 Aeroptics: 4.5406 Aeroptics: 4.58 +.04 Aeroptics: 4.58 +.04 Aeroptics: 4.58 +.05 August light: 3.54 +.06 August light: 3.5	August 16 NITR + er- Brustead	delivered daily to your office. To: Gillum Hart. Financial Times: (Europe: Gmb)]. Nibelangenplate 3, 00/318 Frank (un). Mater. Germany Tel + 4460 1561890. Th. 416191. Fax. + 4460 56644883 SPECIAL INTRODUCTORY SUBSCRIPTION.
10 10 10 10 10 10 10 10	Millian Fallowan 1,340 Millian Millian Millian 942 Millian Millian 942 Millian Millian 842 Millian Millian 845 Millian 845 Millian 846 Millian 846	Streetin	Bridge 08	SWALAFORE August 16 SE +er- DSS	TWELVE FREE ISSUES DELIVERED TO YOUR OFFICE To: Cellion Hart, Financial Times (Earny): Combit. Nibehorgenphas 2, 60318 Frankfur(Nam. Germany. Tel. + 4069 (5685). Th. 4(6)193, Far. = 4009 (5685). Th. 4(6)193, Far. = 4009 (5085). T
Hattary Zoson	Microsophist Micr	Sunitono Birdu - 2,450 +30 Sunitono Bertu - 2,450 +30 Sunitono Cemarta - 606 - 4 Sunitono Cemarta - 470 +3 Sunitono Cerp - 928 -2 Sunitono Elect - 480 +10 Sunitono Elect - 480 +10	Common Review 3-20 -16 Consider 1.09 +0.6 Consider 1.09 +0.6 Consider 1.09 +0.6 Consider 1.04 +0.6 Consider 1.01 +0.6 Consider 1.02 Consider 1.03 Consider 1.0	OCSC 13.40 OUB. 855 Sippore Air Free 10.30 +.10 Singapore Prees 12.60 +.50 Singapore Prees 12.60 Singapore Pr	Austra OES 5,600 France FFR 1,900 Latermoons to 1,000 Spain PTS 59,000 Address to which I would like on France addressed. Belgian BFR 1,500 German DM 700 Activations DFL 550 Sweden SEK 2,800 Dennark DKK 3,150 German DM 700 Norway NOK 2,800 Switzerland SFR 680 Finland FMX 1,900 Italy LIT 560,000 Pertugal ESC 57,000 Torkey TL 1,850,700 Finland FMX 1,900 Address Denner Cloth Expery Date Enrocast/Visis Accress. Expery Date Finland FMX 1,900 German DM 700 Switzerland SFR 680 Finland FMX 1,900 Italy LIT 560,000 Pertugal ESC 57,000 Torkey TL 1,850,700 Finland FMX 1,900 Italy LIT 560,000 Pertugal ESC 57,000 Torkey TL 1,850,700 Finland FMX 1,900 Italy LIT 560,000 Pertugal ESC 57,000 Torkey TL 1,850,700 Finland FMX 1,900 Italy LIT 560,000 Pertugal ESC 57,000 Torkey TL 1,850,700 Finland FMX 1,900 Italy LIT 560,000 Pertugal ESC 57,000 Torkey TL 1,850,700 Finland FMX 1,900 Finland FMX 1,900 FMX
##	Arra 10/05 colors 4 472 +14 Next Followert 4 965 +24 Negunshys 5 1,190 +10 Nagunsh Rabrosd 55 -3 National House 2,010 -30 National House 1,500 45	Surritions Marine 1,010 -10 Surritions Marine 1,010 -10 Surritions Marine 1,010 -10 Surritions Marine 1,000 -10 Surritions Preside 1,000 -10 Surritions Treside 1,470 -30 Surritions Witeshouse 525 +6 Surritions Witeshouse 948 -5 TDX Corp	Pocision Streaming 1.18 — 9	NOTES - Prices on the page are as conted on the including exchanges and are enough test modely rices. Life abstraction, as Doublego Religional, as if is distincted, as the issue a test for the content of the content	*Garrent rates are odd still for the treatity at which then are quoted Subscription Prove are corne to have of come to have of come to have of come to have of come to have of the subscription and Prove are extracted for the subscription of the su

l pm dose August 16

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1905 | Low Stock | 257 | 28 Gar May E | 28 Gar May

- D -

- B -

Low Stack
- C -30-1, 31-1, CRI Ind 223-1, 186-1, CRS Inc 18-1, CRS Inc 18

44-4 五大大小 野大田山市 小大十 +1 -16 香香水 古安美美美安美華 大學大學等等等的 首者 李昌士 香港 的接 人名特 上海市 地 网络地名地名地名地名地名 的 的现在分词 化 经非正规 人名英格兰 人名英格兰 化 经济的 医毛 化妆 人名 人名 化物质子的物物物的过去式和过去分词

- E -经存在法 法存在实际 .36 8-1, 7-5 Ensect St. 38-2, 33-1, Enterprise 20-1, Forterra Co. 21 17 Enterra Co. 11% 8-5 EU. Nearly 25-6, 17-5, Equitor 25-6, 17-5, Equitor 25-6, 17-5, Equitor 25-6, 17-5, Edwards 13, 7-5, Edwards 13, 7-5, Edwards 14, 9-5, Edwards 19, 17-5, Edward ## 17 | Follows | 1.00 | 4.4 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 | 6.54 |

.12 .14 .14

妈 经通信债券 好好难 妈 经大场

184 18 Garf Side

1974 1576 HAM Heart

1974 1576 HAM Heart

1975 1576 HAM Heart

1975 1576 HAM Heart

1976 1576 HAM Heart

1977 1576 HA 224, 1716, BP htc
5 27, DOI Prop
154, 577, DOI Prop
154, 577, DOI Prop
154, 577, DOI Prop
154, 577, DOI Prop
155, 214, DOI Prop
156,
- H -

| Tell | P | See | Sep | Low | Constitution | Const

| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | THE STRENGT STATE OF THE STATE Titles

Figh Lew Sheck

87% 47%, Kallagg Co

37% 23%, Rahapord

11% 10% Kanp hithms 4

32 20% Remper 19 x

9% 8% Kenper She

13% 12% Remper 19 x

9% 8% She Kenper She

13% 12% Remper 19 x

13% 12% Remper 10 x

13% 12% Remper 10 x

13% 12% Remper 19 x

13% 12% R - L --0-

.

18445

中 中部本 本 大大大學 大

中央 大学 かななな 大大大ななななない ちょうない まな なる

7

+13e +11 +2e +3

Samsung Personal Fax Telephone Answering Machine Automatic Paper Cutter 60 Locations Automatic Dial SAMSUNG

ه كوامن الاصل

401₂ 401₂ J Rhey PF 461₂ 41 J Rhey L 51₃ 11₃ JMF J Lockqui En 251₃ 161₃ JM J Lockqui En 251₃ 161₃ JM J Lockqui En 251₃ 20 J Lockqui En 251₃ 3₃ J Lockqui En 101₃ 27 J J Lockqui 101₃ 27 J J Lockqui 105 00 J Lockqui PF 105 00

19 jg 17 jg 10.M R Dich 25 jg 19 jg K Mart Crp 39 lg 22 kV Berryy 59 59 ksnr2 4.5 u 59 jg 8 jg Kaneb Pr 14 22 Kaneb Pr 12 22 Kaneb Serv 22 23 Surchy 16 jg 13 jg Karbys 45 Cris 30 lg Karbys 18 Cris 30 lg Karbys 19 11 lg 7 karbys 19 22 20 jg Kallynd 22 19 jg Kallynd 10 lg 9 jg 10 Sen Aus

- J -

- K -

0.52 2.7 16 465 194,
0.30 42 1213850 234,
1.44 3.8 17 181 374,
4.50 0.8 2100 55
2.20 9.4 10 75 235,
1.48 5.7 16 95 2284,
1.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.10 6.2 2 18
0.20 0.7 23 28
0.10 6.2 2 28
0.20 0.7 23 28
0.20 0.7 23 28
0.7 25 28
0.7 27 28
0.7 27 28
0.7 27 28
0.7 27 28
0.7 28
0.7 29 28

+4 +4 +4 +4

古 中海山 南北 大大河水

23

in	E COMPOSITE PRICES	NASDAQ NATIONAL MARKET 1 2000 August 16
September Sept	Section Continues 1.00 2.00	No. 1. 1. 1. 1. 1. 1. 1.
		Grant 0.23972 105 18½ 18¼ 16½ 1½ Fresh AP 0.60 35 17½ 173 27½ 25½ 1½ Grant Ph 7 537 5½ 3½ Grant Ph 7 537 5½ 5½ Grant Ph 7 537 5½
Stuck Div. E 100s High Lew Close Chang Actum Cpr 0 10 3/2 6312 3/2 Arb Magn 51 55 105s 101-101-4 Ar Edgy 0.20 12 185 213s 21 21 21 1-5 Alfo life 2 50 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	102 51, 514 514 1.24 1.24 1.24 1.24 1.24 1.24 1.24 1.	Commander 15 Comm
GET YOUR FT HA AARHUS, AALI If you work in the business centres of copy of the FT to your office a	ND DELIVERED IN COPENHAGEN BORG, ESBJERG AND ODENSE. Copenhagen. Aarhus, Aalborg, Esbjerg and Odense we'll deliver your daily at no extra cost. Call Erna Pio for details on Copenhagen 3313 4441. ALTIMES ALTIMES ALTIMES ALTIMES	Computer 17 1166 6% 012 6% 012 6% 012 6% 012 6% 012 5751 32 22 22 23 24 24 25 4 25 25 26 22 22 24 25 26 26 25 26 22 24 25 26 26 26 26 26 26 26 26 26 26 26 26 26

Dow peaks as telecoms deal lifts sentiment

Lin Broadcasting, a cellular

McCaw, jumped \$8 to \$110%.

perator majority-owned by

Dverall, prices may have

sted of a 0.4 per cent rise

been supported, too, by the

day's economic news, which

in July industrial production

and a small increase in capac-

ity utilisation from 81.3 per

cent to 81.5 per cent. Salomon climbed \$2% to

\$48% after Mr Warren Buffett, the hillionaire investor and for-

mer Salomon chairman, noti-

fied the government authori-

ties that he planned to take his

stake in the company, cur-

rently at 14.3 per cent, over the

15 per cent mark. Analysts said

that the move was a vote of

Aluminum Company America led blue-chips higher.

rising \$2% to \$74 in busy trad-

ing. Other metals stocks, espe-

cially gold companies, were also firmer, with Newmont

Mining up \$% at \$48% and Bat-

tle Mountain Gold up \$% at

for-one stock split.

Canada

cents at C\$2.95.

SOUTH AFRICA

improved 29 to 3,990.

GOLD shares resumed gains in

late trading as the bulliun price railied above \$372 an

ounce. The index advanced 80,

or 4.8 per cent, to 1,747, while

the industrial index put on 8

at 4,529. The overall index

On the Nasdaq market, Snapple Beverage climbed \$3% to \$42% after declaring a two-

GOLD stocks, reflecting higher

bullion prices, gave Toronto

the little impetus it had in mid-

Wall Street

US share prices jumped to record highs yesterday morning as market sectiment was boosted by news of a multi-billion-dollar merger in the telecommunications industry. writes Patrick Harverson in

At 1 pm. the Dow Jones Industrial Average was up 19.28 at 3.588.93. The more hroadly based Stondard & Poor's 500 was 3.01 higher at 453.15, while the Amex composite was up 2.11 at 441.19, and the Nasdaq compos-

BRAZILIAN equities gained 6.3 per cent in heavy midsession trading, on strong buying in Telebras, the state telecom munications group, as investors moved to liquidate positions on the options market. .

The Bovespa index was up 4,816 at 77,356, with Telebras advancing nearly 8 per cent. Sentiment was also lifted by the appointment of a new

ite up 7.04 at 725.30. Trading volume on the NYSE was 136m shares by 1 pm.

Although prices dropped at the opening, the decline was a reflection of the impact of dividend payouts on several Dow digested, prices quickly began to appreciate across the board, aided by further declines in

bond yields. The day's big story was the news that American Telephone & Telegraph was to buy all of McCaw Celiular Communications, in a stock-swap worth \$12.6bn.

Although the development was not totally unexpected -AT&T already owns a significant stake in McCaw - the arrival of a huge corporate transaction was welcomed by

AT&T fell \$1/4 to \$61% on the news, while McCaw soared \$5% to \$56% in volume of 4.5m

Opposing influences move Frankfurt bourse

among senior bourses yester-day, writes Our Markets Staff, with Paris, Madrid and Brus-sels closed for the Assumption

Day holiday. FRANKFURT fell back from early morning highs, the DAX index closing 5.61 higher st 1,912,19, after an early intraday peak of 1,931.38 and a gain of 2 per cent last weak. Brokers said that there were some large huy orders in the pre-bourse, but no positive follow-through

Turnover fell from DM9.4bn to DM7.8bn. in the post-bourse, the Ibis-indicated DAX fell to 1.903.51

Mr Hans Peter Wodnick, at James Capel in Frankfurt, said that investors were torn between thoughts of consolida-- the DAX having risen hy 300 points in less than three months - and the temptation to begin speculation on a further reduction in interest rates when the Bundesbank meets on Thursday week.

Siemens rise DM8.60 to DM884.50, having lagged behind the market recently. In chemicals, Hoechst put on DM2.80m to DM279.80 for similar reasons; among carmakers, a DM7.30 drop in Volkswagen

to DM392.30, weighed down by

industrial spying allegations, was offset by a DM13 rise to DM716.50 at Daimler. Initial interest in the department store retailer. Karstadt, took it up to DM623 at midday hefore it closed a modest DM3.20 higher at DM608.00 following confirmation of discussions on warehousing and dis-

In contrast, Germany's second largest department store chain, Kaufhof, fell DM16 to DM549 on switch consider-Meanwhile, Lufthansa con-

tribution logistics with its

competitor. Hertie.

tinued its climb, rising DM3.20 to DM151.50 after its management board chairman, Mr Jürgen Weber, said that the air-

FT-SE Actuaries Share Indices THE EUROPEAN SERIES August 16 (Partial) Down 10.30 11.00 12.00 13.00 14.00 15.00 Glass Hourty changes 1278.87 1278.14 1276.81 1275.98 1276.14 1277.04 1275.70 1276.32 1389.33 1389.81 1388.42 1387.15 1381.15 1388.02 1388.62 1388.35 Aug 13 Aug 12 Aug 11 Aug 10 Aug 9

1283,84 1359,88

1274.76 1354.98

unchanged in spite of some

convincing gains by leading

multinational groups such as

Unilever, up Fl 2.90 st Fl 193.40,

and Royal Dutch, up Fl 1.10 to

Fl 187.40. The CBS Tendency

Among second liners, Frans

index finished at 127.9.

Same volum 1900 (25/1970), Highling: 100 - 1278.80; 200 - 1381.30 Laurilley: 100 - 1274.81 200 - 1356.76. line would resume paying a dividend by 1996 at the latest. ZURICH went higher following bearish James Capel notes on both fundamental and technical grounds, the SMI index

rising 17.9 to 2,478.9. Dealers said that profit-taking was always likely and that international investors could shift funds into more promising markets like Germany. However, the market was drawn higher by Nestlé, np

SFr19 at SFr1,099, and Roche, with the certificates SFr90 higher at SFr5.120. AMSTERDAM

of results due later this month.

MILAN saw a heavy reverse
in Ferruzzi ordinary shares after Friday's 20 per cent gain, closing down L86.20 at L242.00. Analysts remarked that dealing in the stock was now driven by the speculative activity of small investors and, as such, liable to sudden swings.

On the last day of the account, the Comit index rose

again on last week's results, by L34 to L772.50. Yesterday a court said that it had post-poned until the and of the month a decision on whether to allow a request by the company for the seizure of L500bn of assets from ex-managers.

In Scandinavia, STOCK-Maas, the road transport group, shed F17.30 to F149.00 on news over the weekend that HOLM's Affarsvärlden general index eased on profit-taking, down 8.3 at 1,285.0 with Erics-It is now forecasting lower son B shares losing SKr6 to SKr372 ahead of Thursday's than expected results this year. KLM, which has a stake in half year results. the group, came off 50 cents to Fl 36.70. Among other stocks in the transport sector, Nedlloyd

OSLO, in similar vein, saw tha all-share index off 4.14 at 586.94 in turnover of NKr606m. lost 80 cents to F1 47.30 ahead

HELSINKI closed lower also on the profit-taking theme, the HEX index down 13.4 to 1,427.9, with the banking sector off

some 5 per cent.
VIENNA traders said that the expiry of August deriva-tives added uncertainty to a market in correction as the 989.63. The August ATX future

eased 15 to 986. ISTANBUL gained 4.7 per cent and broke above 10,000 for first time since August 3. The composite index put on 458.51 to 10,199.7, following a rise of 2

per cent on Friday. Some market observers said that the recently positive tone might be due to the expectation of fresh liquidity following the maturity of Treasury bills

WARSAW saw as 12 shares hit record highs, the bourse posting its second highest ever turnover of 619.5bn zloty (\$34m) as the WIG index gained 240.8, or 4.6 per cent to

Seoul rebounds as Pacific Rim sees more new highs

Tokyo

WORRIES over last week's announcement of mounting Cosmo Securities debts, due to irregular transactions, had much less of an impact on Japanese equities in the broader Tokyo market yesterday than they did in London last Friday. writes Emiko Terazono in

session, with a rise of 143.00, or In fact, the 225-issue Nikkei 1.6 per cent in the sector index against a mere 3.75 points to average ignored Friday's after-4,018.37 in the TSE 300 composhours' fall of nearly 1 per cent in the ISE/Nikkei 50 index in Volume fell from 27.8m to London; hopes of an imminent 21.6m shares. Active stocks cut in the official discount included Kinross Gold, up 4 rate prompted arbitrage-linked buying and the Nikkei gained 156,32 at 20,901.49,

The Nikkei registered a day's low of 20,548.65 just after the opening, hut selling ran its course during the morning session. A rise in the futures market on the Singapore International Monetary Exchange triggered arhitrage huying, pushing the index forward to register a day's

high of 20.904.69 in the late

Volume contracted to 230m shares from 482m. Aside from arbitrageurs, investment trusts and dealers were seen buying in small lots. Advances outnumbered declines by 550 to 396, with 209 issues unchanged. The Topix Index of all first section stocks finished 4.96 ahead at a 1993 peak of 1,688.04, and London's ISE/Nikkei 50 index improved 1.83 to 1.286.26.

Investors were calm over the revelations of Cosmo Securities' losses of Y69.8bn resulting from its involvement in tobashi, the shuffling of inves-tors' accounts in order to hide unrealised losses, Daiwa Bank said last Friday that It will rescue Cosmo hy injecting Y70bn to Y80bn through a third party share allotment.

The yen's rise to a further record high worried some investors as the dollar closed Y1.15 down at Y101.25. However, the Bank of Japan's money market operations fuelled speculation of an early

discount rate cut. Mr Geoffrey Barker, an economist at Baring Securities, pointed out that five out of six discount rate cuts since 1991 were preceded by generous infusions of funds by the central bank into the

money markets. Brokers were hit by the Cosmo debacle. Nomura Securities slipped Y30 to Y2,200, second tier brokers such as Sanyo Securities lost Y25 to Y730 and New Japan Securities declined Y19 to Y694. Trading in Cosmo Securities was

suspended for the day. The higher yen supported oil refiners. Koa Oil jumped Y109 to Y1,030 and Mitsubishi Oil gained Y10 at Y1,080. However, export-oriented consumer electronics makers lost ground, with Matsushita Electric Industrial easing Y10 to Y1,360 and Sony Y10 to Y4.370.

in Osaka, the OSE average appreclated 27.19 to 22,772.20 in volume of 20.4m shares. Dealer huying supported retail and machinery shares. However, Nintendo, the video game maker, retreated Y190 to Y9,410 on the higher yen.

Roundup

MORE NEW highs ware recorded on the Pacific Rim, while South Korean equities rehounded after last week's

SEDUL, which fell 4.5 per cent last Friday and another 3.9 per cent on Saturday after the government ban on trading under false or borrowed names, recovered 25 points, or 3.7 per cent, to 691.67.

Turnover expanded to Won399m from the Won271.3m seen in Saturday's half-day session. There were rumours that the government would announce measures to revive the market. But a Finance Ministry official said later that a meeting of economic ministers to discuss a bail-out would make no announcement vester-

HONG KONG's Hang Seng index rose 97.24, or 1.3 per cent, to a new high of 7,489.49, aided by selective buying from over-seas. Turnover was HK\$4.66bn, up from Friday's HK\$4.49bn.

There was more confidence about Chinese economic prospects, and huyers were also encouraged by the strong performance of Stone Electronic, the Hong Kong arm of a collec-tively owned Chinese company, which ended at HK\$2.625 in its trading debut, against its

offer price of HR\$1.26. SINGAPORE saw strong gains in selected blue chips as the Straits Times Industrial index climbed 5.02 to a record 1,922.89. Singapore Press local shares rose 50 cents to S\$12.60 in volume of 204,000 shares.

Total turnover was 115.4m shares, after Friday's 137.5m. KUALA LUMPUR balanced profit-taking against impressive results from Malayan Banking, np 20 cents at M\$14.70. The KLSE composite index closed just 0.85 higher

AUSTRALIA held up well in advance of today's budget, the All Ordinaries index rising 14.8

to 1,870.7 in turnover of A\$293.1m on gains in some blue chips and a slight recovery in golds. News Corp forged ahead 23

cents to A\$9.13 and offset a beavy fall in CSR, which lost 36 cents to A\$3.82 in early trade on adverse newspaper reports about its US asbestos court case, but recovered slightly to close at A\$3.96.

JAKARTA, closed today for Indonesia's Independence Day holiday, featured strong gains by several banks in active trading, speculating on the pros-pect of good half-year results as the JKSE index ended 2.07

firmer at 382.01. BII advanced Rp400 to Rp5,000 and Bank Duta Rp325 to Rp3,250, while Bank Danamon, Lippobank and Bank Dagang Nasional Indonesia also strengthened

BANGKOK saw a sheaf of weak second-quarter corporate earnings reports. Investors sold near the end of the day and the SET index shed 10.33 to 954.29 in Bt6,27bn turnover.

Norway, Finland lead European markets

	*	change in loc	of currency f		% change electing t	to US S
_	1 Wook	4 Weeks	1 Year	Start of 1993	Start of 1983	Start of 1963
Austria	+1.33	+10.06	+38.88	+25.59	+22.88	+18.4
Belgium	+0.49	+1.24	+26.79	+21.76	+14.74	+10.6
Denmark	+1.97	+5.88	+17.83	+28.62	+18.37	+14.1
Finland	+6.65	+18.22	+135.60	+80.80	+66.26	+60.2
France	+0.30	+8.85	+25.49	+18.50	+12.16	+8.1
Germany	+1.96	+5.09	+23.32	+23.09	+20.90	+16.5
Ireland	+1.79	+6.09	+41.81	+44.16	+25.54	+21.0
taly	+0.21	+5.92	+68.40	+44.58	+36.11	+31.2
Netherlands	+2.23	+4.71	+20.02	+21.88	+19.35	+15.0
Norway	+8.11	+11.40	+48,10	+37.23	+31.88	+27.1
Spain	+3.67	+9.10	+40.74	+31.83	+10.25	+6.2
Sweden	+2.96	+10.87	+56.60	+29,48	+16.27	+12.0
Switzerland	+1.27	+2.79	+36.51	+20.03	+19.53	+15.2
UK	+1.38	+6.56	+33.75	+7.90	+7.90	+4.0
EUROPE	+1.47	+6.37	+33.12	+17,48	+14.23	+10.1
Australia	+0.81	+2.70	+13.57	+15.57	+18.38	+14.1
Hong Kong	-0.57	+5.00	+21.13	+32,61	+37.34	+32.3
Japan	+1.55	+1.82	+48.30	+27,47	+61.54	+55.7
Malaysia	-0.03	+8.63	+55.90	+35.10		+38.4
New Zealand	-2.01	+9.29	+28.39	+23,49	+37.52	+32.5
Singapore	+3.06	+9.26	+41.96	+24.45	+31.62	+26.8
Cenada	+1.80	+2.61	+10.35	+12.09	+12.43	+8.3
USA	+0.34	+0.87	+8.12	+3,38	+7.24	+3.3
Mexico	-1.33	+4.15	+18.51	-1,90	+1.93	-1.7
South Africa	-1.82	-3.51	+28.90	+26,44	+35.34	+30.4
WORLD INDEX	+0.96	+2.62	+24.90	+14.42	+23.91	+19.4

By John Pitt

candinavian equity markets showed impressive performances last week, with Norway and Finland in particular standing out. in spite of losses in Mexico.

New Zealand, Sonth Africa and Hong Kong, strength elsewhere left the FT-Actuaries world index up 1 per cent in local currency terms. Norway and Finland have both been lifted recently by

sharp cots in domestic interest rates: as a result Oslo's allshare index put on 8 per cent over the week and Helsinki's Hex index added 4 per cent. Mr Peter Tron, senior manager at Unibank Securities in London, said that there was

noticeable evidence of foreign liquidity driving the Norwethe strength of the dollar also helped lift sentiment. Finland. be added, witnessed another remained confident about the prospect for corporate earnings following the depreciation of the Finnish markka.

In Sweden, results from SKF, which came in better then expectations, helped to restore confidence. A rate cut on Thursday also contributed to the Affarsvärlden index's 3.5 per cent weekly gain.

Denmark, of all the Scandinavian markets, remarked Mr Tron, shows the greatest notential for earnings growth. having so far done little to reduce interest rates since the realignment of the ERM.

He forecast a 20 per cent opside in the market's allshare index by the end of the year, coinciding with a cut in short-term interest rates from the present 12.8 per cent to 4.75 per cent by the middle of

Among other global equity markets, Mexico pulled back some of its losses earlier in the week on Friday on news that a satisfactory conclusion had been reached in negotiations on side accords to the North American Free Trade Agree-

New Zealand, still a strong performer over the year to date, suffered from weakness in Telecom shares.

MONTEDISON

Notice of a General Meeting of shareholders

Shareholders of Montedison S.p.A. are hereby convened to attend a General Meeting of shareholders, to be held at Foro Buonaparte 31, Milan on Mouday, August 30, 1993 at 11.00 A.M. (first call) and, if needed, on Wednesday, September 1, 1993 (second call), same time and place, in order to discuss and vote upon the following items on the agenda:

- 1. Proposal of a legal action against certain former Directors of the Company under Article 2393 of the Italian
- Civil Code and related resolutions. 2. Integration of the Board of Statutory Auditors.

Shareholders are entitled to attend the General Meeting if, at least five days prior to the General Meeting, they have deposited their share certificates at the Company's registered office or at one of the following financial

In Italy:

Monte Titoli S.p.A. (for certificates deposited with the same), Credito Italiano, Banca Commerciale Italiana, Banca di Roma, Banca Nazionale del Lavoro, Banco di Napoli, Istituto Bancario San Paolo di Torino, Monte dei Paschi di Siena, Banco Ambrosiano Veneto, Banca Mercantile Italiana, Banca Nazionale dell'Agricoltura, Banca Popolare di Bergamo - Credito Varesino, Banca Popolare di Milano, Banca Popolare di Novara, Banco Lariano, Cassa di Risparmio delle Provincie Lombarde, Credito Commerciale, Credito Romagnolo.

Abroad (by appointment of Italian banks according to the law):

Société de Banque Suisse - Basel and Zurich, Crédit Suisse - Zurich, Union de Banques Suisses - Zurich, Banca della Svizzera Italiana - Lugano.

In France: Banque Nationale de Paris - Paris.

In Great Britain: Morgan Guaranty Trust Co. - London.

In Belgium:

Banque Bruxelles Lambert - Bruxelles. In Germany:

Deutsche Bank - Frankfurt a/Main, Drescher Bank - Frankfurt a/Main. In the Netherlands: ABN-AMRO N.V. - Amsterdam and Rotterdam,

In the U.S.A.: Bank of New York - New York.

> On behalf of the Board of Directors Guido Rossi

> > ٠, ,

Procedures to be followed by foreign shareholders:

(A) Shareholders wishing to attend must request in writing or by telex that the bank where their shares are deposited issue an admission ticket, if that bank is one of Montedison's above-listed depositary banks; if the bank where their shares are deposited is not one of Montedison's depositary banks, they must request that bank to contact one of the depositary banks so that an admission ticket can be issued. All admission tickets must be issued at least five days before the General Meeting.

(B) Shareholders wishing to vote by proxy may appoint a proxy only after depositing their shares and receiving the admission nicket in accordance with the procedures described in (A), above. Proxies are to be in writing and cannot be issued to: banks, members of the Board of Directors, Statutory Auditors and employees of Montedison and its subsidiaries.

Please Note: Shareholders may contact the foreign branches of the above-listed Italian depositary banks to expedite these procedures.

Montedison S.p.A. - Registered Office in Milan at Foro Buomsparte, 31 Share Capital Lit. 2,916,788,109,000 fully paid Court of Milan - Register of Companies no. 310653/7795/3

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		FRIDAY AUGUST 12 1983								THURSDAY AUGUST 12 1993				DOLLAR ENDEX		
Figures in perentheres show number of lines of stock	US Doller Index	Day's Change	Pound Sterling Index	Yen Indix	DM Index	Local Currency Index	Local % chg on day	Gross Dev. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993 High	1993 Low	Saor Saor
Australia (69)	142.78	-0.7	145.04	92.24	126.97	139.84	-0.6	3.59	143.78	145.70	93.75	128.57	140.72	144.63	117.39	131.56
Austria (17)	166,02	+0.7	168.55	107.26	147.64	147.43	+0.0	1.32	164.88	187.09	107.51	147.44	147.47	157.13	131.16	141.21
3ekaium (42)	147.36	+0.1	149.89	95.18	131.04	133.01	-0.6	4.31	147.24	149.21	96.00	131.66	133.60	156.76	131.19	141.1
Canada (108)	125,33	-0.1	127.32	80.96	111.45	119.34	+0.3	2.83	125,48	127.16	81.81	112.20	119.03	130.38	111.41	125.4
Denmark (33)		+0.0	215.75	137.21	168.87	204.30	+0.1	1.11	212.43	215.28	138.51	189.96	204.13	225.64	185.11	228.2
inland (23)		+1.5	113.34	72.08	99.22	138.15	+1.8	0.88	109.82	111.39	71.67	98.29	135.99	111.57	65.50	68.2
rance (97)		-0.6	181.65	102.80	141.50	151.15	-0.4	3.06	160.04	182.18	104.34	143.10	151.82	167.38	142.72	158.50
Sermany (60)		+0.7	123.17	78.34	107.83	107.83	+0.2	1.96	120.36	121.97	78.49	107.63	107.63	121.26	101.59	115.49
Hong Kong (\$5)	293,32	+0.7	297.97	189.49	260.86	292.03	+0.7	3.26	291.25	295.15	189.90	250.45	289.88	301.61	218.82	241.0
reland (15)		+0.2	166,92	106.18	146.13	169.94	-0.1	3.28	163.95	166.15	108.90	146.61	170.18	170.40	129.28	155.7
taly (70)	71.99	+0.0	73.13	48.50	84.02	87.30	+0.2	1.87	72.00	72.97	48.94	54.38	87.14	72.93	53.78	61.4
lapan (470)		+0.7	166.14	105.66	145.46	105.66	-0.2	0.78	162.43	164.61	105.81	145.27	105.91	163.55	100.75	89.1
Malaysia (69)		-0.2	367.68	233.82	321.87	355.82	-0.2	1,92	362.58	367.44	236.41	324.22	356.61	364.55	251.66	232.1
		-1.9	1644.83	1046.05	1439.94	5514.68	-1.7	0.89	1650.71	1672.81	1076.31	1476.10	5609.31	1735.81	1410.30	1381.5
Mexico (19)	174 20	+0.7	176.95	112.53	154.91	153.17		3.52	173.06	175.38	112.84					
Vetherland (24)	56.86	-1.7	57.76	36.74	50.57	54.72	+0.1 -1.8			58.62		154.78	153.04	174.20	150.39	162.10
lew Zealand (13)		+1.9	177.84	113.10	155.69	177.44		4.08	57.85 171.79		37.72	51.73	55.71	57.99	40.56	42.3
Vorway (22)		+0.6	275.00	174.69	240.74		+1.7	1,49		174.09	112.01	153,62	174.53	175.07	137.71	155.3
Singapore (38)						200.73	+0.5	1.72	269.17	272,77	175.51	240,69	199,64	270.72	207.04	184.2
South Africa (60)		-2.5	196.27	124.82	171.82	198.70	-2.2	2.57	198.21	200.86	129.23	177,24	203.18	215.29	144.72	185.4
Spain (43)	123.93	+1.1	125.89	80.06	110.21	133,41	+0.8	4.38	122.55	124,19	79.91	109.59	132.35	132.82	115.23	134.6
Sweden (36)	165.57	-0.1	168.50	119.88	165.03	224.44	+0.0	1.50	185.75	188,24	121.12	166.11	224.39	187.21	149.70	132.3
Switzerland (50)	130.21	+0.3	132.27	84.12	115.81	123.23	+0.2	1.78	129.77	131.51	84.62	116.06	122.97	130.81	108.91	110,31
Inited Kingdom (218)	179.29	-0.2	182.12	115.81	159,42	182.12	+0.0	3,84	179.68	182.09	117.14	160.66	182.08	181.99	162.00	178.9
JSA (520)		+0.2	187.03	118.95	163,74	184.12	+0,2	2.78	183.72	186.18	119.80	164.30	183.72	166.27	175.38	171.1
Europe (750)	149.77	+0.1	152,14	96.75	133,19	146.67	+0,0	3.05	149.66	151.67	97.58	133,24	145,62	150.60	133.82	144.30
Vordic (114)	174.53	+0.2	177.29	112.75	155.20	186.02	+0,3	1.33	174.10	176,43	113.52	755.68	185.33	174,96	14213	168.50
Pacific Basin (714)	166.55	+0.8	169,19	107.60	148.12	112.48	-0.2	1.04	185,54	167.75	107.94	148,03	112.71	166.55	105.89	95.5
uro-Pacific (1464)	159,54	+0.4	162,06	103.06	141.87	126.53	-0.1	1.81	158.90	181.03	103.80	142.08	126.67	159.54	117.26	115.2
forth America (628)	180.46	+0.2	183.32	116.60	160.51	179.70	+0.2	2.78	180.10	182.51	117.44	161.08	179.32	182,38	171.51	168.2
urope Ex. UK (532)	131.05	+0.3	133.12	84.58	116.56	125.94	+0.0	2.52	130.71	132.46	85.24	116.91	125.88	131.05	112.51	123.3
acific Ex. Japan (244)		+0.0	199,58	127.19	175,07	181.59	+0.0	3.05	196.81	199.45	128.35	178.01	181.53	198.92	152.70	159.1.
World Ex. US (1651)	159,59	+0.3	162.12	103,11	141,93	128.46	-0.1	1.84	159.08	161.21	103.73	142.25	129.65	159.59	118.51	117.20
Norld Ex. UK (1953)	165.52	+0.3	168, 14	106.94	147.21	142.18	+0.0	2.02	164.97	167.18	107.57	147.54	142.20	165.52	134.22	130.2
Norld Ex. So. Al. (2111)	166.70	+0.3	169,34	107.70	148.26	145.33	+0.0	2.18	166.18	168.41	108.37	148.82	145.32	166,70	137.28	134.1
Norld Ex. Japan (1701)		+0.1	173.34	110.25	151.77	168.07	+0.1	2.87	170.50	172.78	111.18	152,48	167.91	171.18	157.47	159.5
he World Index (2171)	166.76	+0.3	169.40	107.73	148.31	145.60	+0.0	2.19	166.29	168.51	108.43	148.71	145.82	166.78	137.32	134,4

Copyright, The Financial Times Limited, Goldman, Sechs & Co. and NatWest Securities Limited. 1987